

SFD 7 1933

SEPTEMBER 1, 1933

The Magazine for
MARKETING EXECUTIVES

SALES *management*

**Survey Shows Many
Firms Marshaling
Men and Media for
Heavy Sales Drives**

**What Any Industry
Can Do to Rationalize
Prices**

Spot News on NRA

TWENTY CENTS

Today's Market.... Is The RURAL Market *....In The South*



IT'S cotton picking time in Dixie. Gins are humming. Cotton buyers are in the streets. And a new spirit permeates the South.

Suppose you had produced with an expectation of 5c a pound, and when your product was ready for market it was selling for 60 or 80 or 90 per cent more? Suppose you had \$100,000,000 coming to you from Uncle Sam for cooperation in reducing your annual production? Suppose that by reason of this reduction you found the valuation of your 1933 production stepped up suddenly from \$300,000,000 to \$500,000,000 or more?

That's just what has happened to Southern cotton farmers. They produced the 1933 cotton crop with the expectation of getting 5c a pound or less. They are now receiving Government checks that will total \$100,000,000 or more in return for adjusting 1933 cotton production more nearly to demand. And by reason of having plowed up about one-fourth of this year's cotton crop, Southern farmers will get Five Hundred Million Dollars or more from the remaining crop instead of the bare \$300,000,000 the whole crop might have brought. Yes, cotton farmers of the South have money to spend and are in the mood to spend it.

To the millions of dollars from cotton add the millions now coming to Southern farmers through the auction markets for tobacco. To that add the millions more being brought in by a diversified agriculture. It's very easy to see that Today's Market is the Rural Market in the South.

To reach Today's Market—the Southern Rural Market—in the best, and at the same time, the most economical way, use PROGRESSIVE FARMER AND SOUTHERN RURALIST, the Magazine for Southern Farms and Homes, reaching more than 850,000 able-to-buy families of the Rural South.



250 Park Avenue, New York

Edward S. Townsend Co., San Francisco

Daily News Bldg., Chicago

8,229 Building Projects in July

CONTRACTS totaling \$82,693,100 for new building and modernization projects were let in the single month of July, in the 37 states east of the Rocky Mountains.

Running down the list, we see 3,926 dwellings, 43 hotels, 1,085 stores, 234 schools, 33 hospitals, 106 churches, 379 factories, not to mention hundreds more in other classifications.

The business is there and each order for materials and equipment is going to *someone*—someone who made it easy for the architect or the engineer or the contractor to get all the facts, all the technical data, the instant he wanted them.

Your sales representatives must use their time judiciously, concentrating on relatively few prospects. Back up their efforts and create selling opportunities for them

by filing an adequate catalogue in Sweet's where it will be on hand and always instantly accessible in 13,000 active offices of architects, engineers and contractors.

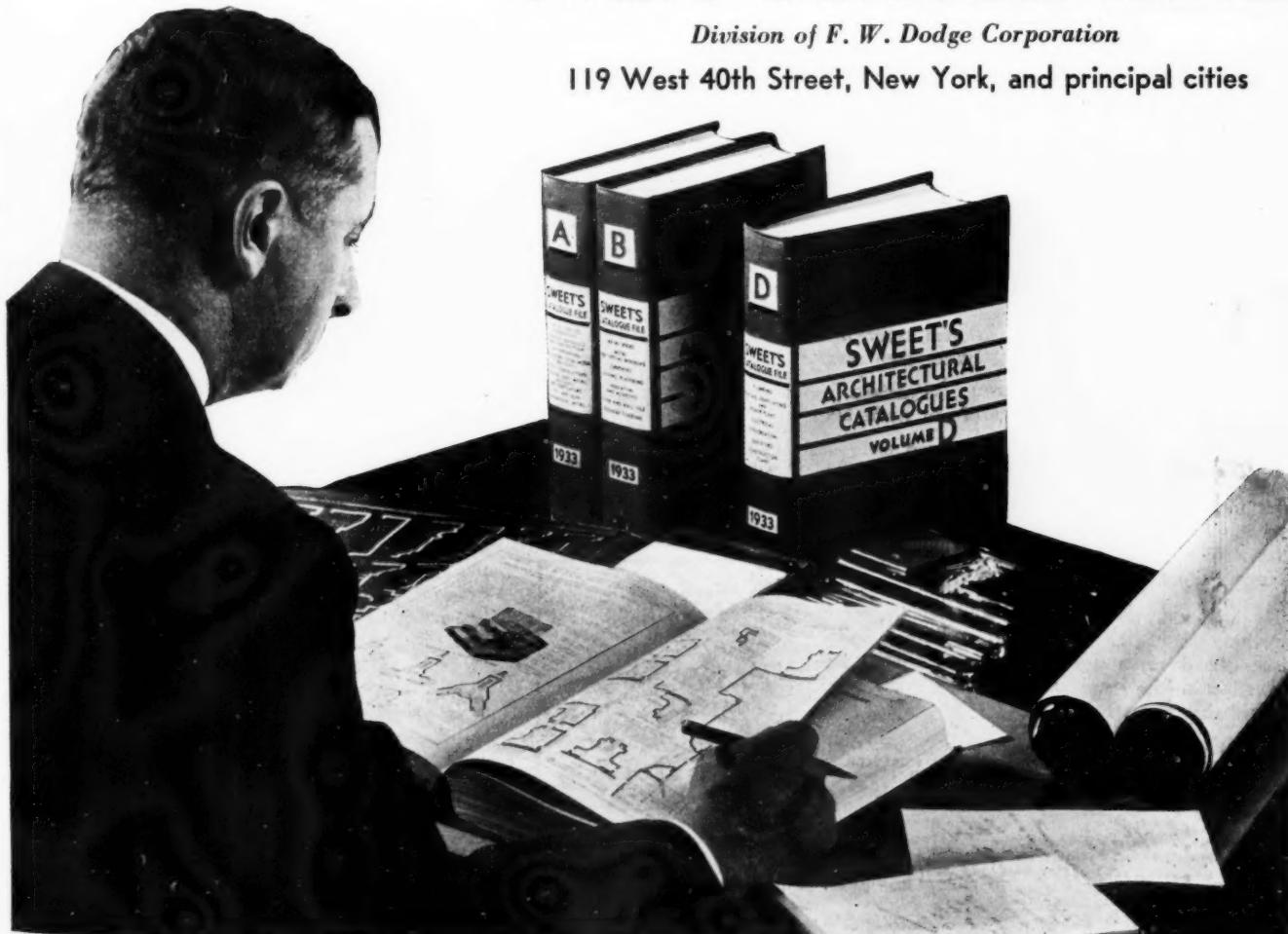
At this writing the August contract records are not complete. The first three weeks total \$75,000,000. It looks like \$90,000,000 at least. Plan now to join with hundreds of other manufacturers and file your catalogue in the 1934 edition of Sweet's Architectural Catalogues, which is now being compiled. By so doing, you will be assured of its thorough distribution and of its absolute maintenance and use by all who receive it.

Write or wire our district manager nearest you. Our home office is in New York and we have branches in Boston, Philadelphia, Pittsburgh, Cleveland, Detroit, Chicago and Los Angeles.

SWEET'S CATALOGUE SERVICE

Division of F. W. Dodge Corporation

119 West 40th Street, New York, and principal cities



•The Human Side•



Wager: One Lunch. Sales: 17 Carloads

Some days ago "Ed." Smith, New York district sales manager of General Foods Corporation, sat across the luncheon table from the company's advertising agent. Either pride in the potency of his advertising or unqualified belief in the product moved the agent to suggest that it ought not to be impossible to sell a single order of ten carloads of Maxwell House coffee.

He even volunteered to buy a lunch for any man who did so.

A few weeks later Smith called his agency friend on the telephone.

Said he: "Would you buy me two lunches if I sold *more than ten carloads* on that order?"

The reply: "I certainly would!"

Smith: "Set the date! I've just sold Abe Krasne* *seventeen carloads*." An unknown sage who saw this item on the editor's desk penciled on it: "Truly the future of any salesman is limited only by the extent to which he refuses to believe a sales task is impossible."

Minnesota, with a Velvet Touch

Tourists who motor to Minnesota—Land of 10,000 Lakes—often get a pleasant taste of wise sales methods. It is not new. It has been in practice for years. Visitors who have experienced it recognize it, chuckle over it, and often tell their friends about it. No doubt it pays.

This is what happens—

Some minor infraction of the traffic laws occurs. The motor cop does not bluster, cuss, browbeat and insult. Instead, he waves the driver over to the side of the road, and, getting off his mount, sticks his hand through the window and "shakes." But it's not the kind of "shake" so often experienced by motorists. It is a friendly handshake. The officer then says:

"We're glad you have come to Minnesota. We welcome tourists. But you've violated one of our traffic laws."

He explains the violation carefully and courteously and adds:

"We've got a little booklet here that gives you our road rules in brief form. Please take time as soon as you can to read it. If you do you will save annoyances and delays. We try to make driving simple and easy for our visitors."

He smiles, chats a moment, is friendly, says something about the woods and the lakes. He wishes the driver a successful vacation. Then he shakes hands—the second time—and waves a merry goodbye that seems to say:

*The House of Krasne is the largest grocery wholesaling organization in New York, having been built from scratch by its owner, Abraham Krasne, to "14,000,000 a year." See "Profit Sharing with Salesmen Doubled This Jobber's Sales in Five Years," SM, Dec. 1, 1932.

"You're an all-right fellow, guy. I did this for your sake."

Motorists who have been roughly handled by surly cops in various areas have been known to advise their friends to drive to Minnesota just for the joy of experience.

Do these highway coppers sell Minnesota? Yes, with a velvet touch.

Mail Order in England

An English advertising consultant prepared a booklet for a company that sold bicycles. One of the models, illustrated in halftone in the booklet, was priced very low as a leader, and a good volume of sales resulted. However, profits on this model were unsatisfactory, and the advertising man decided to change his method of presentation.

He prepared a huge broadside in color, with a large reproduction of the same model, under another name, to accompany the first booklet in the mail. Large colored arrows were used to emphasize all the special selling points of the machine; the model was described as "Our Special Bargain Offer" and the price raised 25 per cent. Orders for this wheel began to pour in, while those for the model illustrated in plain halftone inside the booklet rapidly decreased.

"Any discriminating buyer," the advertising agent commented, "could have seen that the descriptions were identical, but the presentation in color and the separate broadside (only he called it a 'broadsheet') seemed to paralyze the judgment of the average buyer."

Mail order selling in Britain is a radically different proposition from what it is in the States, this man tells us. American technique works not at all.

Another interesting bit of experience from the same agent: it was found that, during a depression, a reduction of 25 to 50 per cent of the initial deposit required on specialty products succeeded in maintaining sales, whereas a further reduction only increased sales at the expense of an increased percentage of bad debts ranging from 15 to 35 per cent.

Vacation

SALES MANAGEMENT last week received a copy of a form letter being sent to manufacturers in various fields by one J. W. Yeisley, who lives in a small town in Pennsylvania.

It should be an eye-opener to some of the salesmen who have thought the going pretty tough during the last three years. Read it:

"Am interested in your line. On account of studying giving me headache and making me nervous, expect to take a long vacation and live out of doors, by becoming a salesman. Any information, etc., will be appreciated." SM will deliver an earful under the "etc." head almost any rainy Friday he cares to drop in.

Pun or No Pun, Royal Rings the Bell

Some months ago W. A. Metzger, advertising and sales promotion manager of the Royal Typewriter Company, amused himself by tinkering with some typewriters, putting a couple metal bars in place of certain standard gadgets on the standard machine. Each bar, when struck, sounded a different musical note. The members of an orchestra, therefore, each "typing" the correct one of his two notes, at the right moment, could turn out some rather nice music similar to that of a xylophone, rather bell-ish in tone.



Orchestra people, surfeited with derby hats over trombones, vibrating saws, and other novel instru-

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**WHY SHOULDN'T I
MAKE UP MY LEGS?**



UNTIL the Chicago American printed an article some weeks ago telling of a new way to make up feminine legs, nobody knew how much women were interested in this new problem. The response to the article was overwhelming.

The emancipation of women's legs in summer sports, plus the increasing sheeress of hose, apparently had brought about a brand new national crisis: What to do with rough skin, blemishes, vein colorings, freckles?

The American was the first newspaper in the United States to tell about this new method. A good example of the modernity and the

fashion smartness of the American—and of its readers.

Chicago American families have a greater urge to spend because they are more active socially, modern in tastes, respond quickly to new styles, new ideas.

Advertisers of beauty preparations and beauty service appreciate this quality of the American market, as is shown by this outstanding record: *For 5 consecutive years the American has led all other daily newspapers in Chicago in advertising lineage devoted to toilet goods and beauty shops.*

Which is one more indication of this fact: Over 400,000 Chicago American families must be cultivated thoroughly and consistently by any manufacturer who hopes to realize maximum sales in Chicago.

CHICAGO AMERICAN
a good newspaper
and A MIGHTY MARKET FOR MERCHANDISE

National Representatives: Rodney E. Boone Organization

SALES management

Vol. XXXIII. No. 5 September 1, 1933

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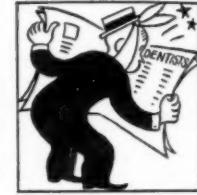
ments which were no longer novel, were glad to have Mr. Metzger loan them a set of Royal portables which were "wired for music."

The result was a swell lot of publicity for Royal. Vincent Lopez and Charlie Davis and Horace Heidt's famous "Californians" were among those who put on "Royal" numbers. Royal portables thus appeared on some of the best stages in 16 large cities, from New York to San Francisco. Just the other week, in the Golden Gate Theater in San Francisco, Mr. Heidt's interpretation on his tuneful typewriters is said to have stopped the show.

The machines are loaned by the company. In addition to the name's being quite legible on the backs of the typewriters, the orchestra leader announces it from the stage before the presentation. And the total cost of preparing the machines was only \$250!

Medical Profits

Veedersburg, Indiana (pop. 1,757) nestles midway between the more thriving cities of Crawfordsville, Indiana, and Danville, Illinois. Among its industries it boasts the Veedersburg News, of which P. L. Huntsinger is the chief (and only) business-getter.



Because his own community offers slim pickings, Mr. Huntsinger has fared forth east and west, garnering many a fat advertising contract from the tradesmen of Crawfordsville and Danville. Not content with this he has invaded the most reticent of all the professions.

Regularly each week, the Veedersburg News carries a full quarter page, listing every important physician and surgeon in Danville, with a few words on his specialty, if any.

Mr. Huntsinger insists that the launching of the department was quite simple. "I knew that many of our folks were going to Danville for medical counsel, and I figured it would be a service to them if the medical fraternity would provide a sort of Who's Who, or local register. Of course, the doctors would be cold on the idea. It was unusual, and anything unusual was pretty sure to strike them as undignified, if not downright unethical. So I fixed that. I wrote to the American Medical Association and explained our local situation and what I wanted to do. They wrote back, putting an official okay on the idea to the extent of declaring that no doctor could be criticised on ethical grounds for carrying such a card. I took this letter to Danville and started making the rounds. When I finally got two or three of the leaders interested, the rest was easy."

Each Danville doctor pays \$2 a month for the service. The net result is a tidy sum added to the News advertising revenue.

A Salesman Gets Even

The boys at the New York News are relating a good yarn about a test campaign, and when they tell it they quote "an account executive." It runs in this key:

"Some time ago," said the account executive, "we selected six rather similar towns for one of our clients and made strenuous tests in five of them. In one town we used a concentrated newspaper schedule, in another direct mail, in another sampling, in another special window displays, and in another spot broadcast programs. We did nothing in the sixth city because that was to be our control town, and we wanted current sales there to measure against the cities we were testing. At the end of the test period, five of the towns showed slight losses in volume. But the sixth, the control town, showed a considerable gain. You can imagine our embarrassment at this demonstration of the power of advertising."

"It took me six months to run down the reason. Then I found it—the salesman in the sixth town. When he heard of all the money being spent and all the advertising being run in the other cities, he felt pretty sore at the folks in the home office and decided to show the lousy so-and-sos that he could put his own territory over alone. So he worked nights, Sundays, harder than ever—and he did."

The personal equation, so often overlooked and neglected, is still the strongest selling force there is.

Significant Trends

As seen by the editors of Sales Management for the fortnight ending September 1, 1933:

National Income Up 17 Per Cent

As compared with July, August was a dull month—but it was less dull than most Augests. September is quite likely

to resemble the August picture, with business at a higher level than last year but lacking the great increase in consumer buying power which we may see in the last quarter, and with continued uncertainty among business men over monetary policies and over the effect which NRA policies will have on their businesses.

• • • The national income during the past six months is estimated by the Brookmire Economic Service to be 17 per cent above the same period a year ago. In southern sections this Service estimates an increase of from 20 per cent to 30 per cent.

• • • During the earlier months of the year the volume of check payments was at an annual rate of 369 billion dollars. The rate during June and July jumped to an annual rate of 484 billion, or a 30 per cent inflation of invisible currency, as compared with the earlier period. The activities of the NRA in increasing payrolls and in re-establishing the credit of workers in each community give assurance that this extension of check payments will continue for many months and the International Economic Research Bureau estimates that during the Fall we shall reach the 1926 annual rate of 750 billion dollars.

• • • Freight carloadings have maintained their steady gains over last year and during the Summer made the first increase in railroad ton-mileage (volume of freight computed on a basis of tons and distances moved) since 1929.

• • • Electric power output has been 15 per cent and more above a year ago for six consecutive weeks and even with or higher than two years ago for the same period. The normal trend is for power to remain fairly even between July 4 and Labor Day, after which output usually resumes at a higher level and advances until Thanksgiving.

• • • Steel operations, despite coal strikes and uncertainties over NRA, declined this Summer only 6 per cent from the early July peak. The backlog of U. S. Steel declined 86,546 tons in July.

• • • The Irving Fisher all-commodity index last week stood at 70.3. The low for the year was 55. The purchasing power of the wholesale dollar is 42 cents over the 1926 dollar, compared with 82 cents at the high point in March.

• • • In Sweden, which has had a "managed" currency for two years, the index number of wholesale commodity prices is 98.96 per cent of the 1928 level. In 1932 the physical production of goods was off only 4 per cent from 1928, while in this country the decline was 43 per cent.

Price Relationships Before Inflation

The possibilities of inflation continue to interest every business man

and no one knows quite what to expect. It seems to be the administration's definite policy to restore pre-war price relationships before (or if) there is any monetary inflation, because inflation tends to raise all prices by a uniform percentage. Because farm products have fallen much more abruptly than the classes of products which farmers are forced to purchase, the Government has been placing the greatest emphasis on raising agricultural products and bringing them to a parity with manufactured goods.

• • • New York betting against devaluation of the dollar within two months is 50 to 1. New York authorities nearest to the administration say that credit expansion certainly will come first. So far it has not had a real tryout. The problem is to get the bankers to loosen up. In most of the large cities bankers say they have plenty of money to loan but that there is a dearth of "good" borrowers.

• • • July factory employment increased 7.2 per cent over June and payrolls 7.9 per cent. Employment is now back to the level of October, 1931, and Miss Perkins says that 1,100,000 workers have been returned to their jobs in the last four months.

• • • We are yet to see a real upturn in building. According to Bureau of Labor statistics from 776 cities of 10,000 population or over, there was a decrease of 11.3 per cent in expenditures for total building operations, comparing July with June. Residential buildings made a better showing than the average, with a decrease of 8.8 per cent.

• • • When will the Public Works expenditures really get started? Mr. Ickes says that a full \$1,000,000,000 has been allocated, but during July building contracts awarded by the Government totaled only \$528,382—which compares unfavorably with awards of more than \$10,000,000 in July last year. Latest Washington estimates indicate that the top figure for Government expenditures or loans this year will be \$500,000,000.

• • • The Department of Agriculture forecasts the smallest grain crops in the last ten years on a basis of reports of conditions as of August 1. Wheat, for example, is estimated at 499,671,000 bushels compared with 726,000,000 bushels last year. There will be the smallest corn crop since 1901.

• • • Here is some information about wages which is interesting in view of the fact the Government is supposedly trying to get the country back to the 1926 level. In that year the weekly earnings of unskilled labor averaged \$23.22. In June this year the average was \$15.83.

People Find Money to Buy Automobiles

The let-down in automobile production has been no greater than seasonal, and retail sales are holding up well. July output was 204 per cent above last year. The low-priced cars continue to get the bulk of the business, but higher-priced vehicles are now having a decided pick up. On August 7 Oldsmobile retail deliveries for the year went ahead of the sales for the entire twelve months of 1932. Essex sales for the week ending August 12 were 120 per cent of the 1932 week. Buick sales for the first ten days in August were 159 per cent of the 1932 period. Pierce-Arrow July shipments were 102 per cent better.

• • • Retail sales of high-priced passenger automobiles have been steadily improving. In March the decline from last year was 55 per cent; April, 48 per cent; May, 23 per cent; June, 12 per cent. Preliminary reports for July show an increase of 33 per cent.

• • • The five-day working week will stimulate the demand for automobiles and all types of sport equipment and amusement.

• • • An interesting sidelight on the second quarter income report of General Motors is the extent to which a relatively small increase in sales can improve the net income. Sales were up only 26.3 per cent from last year, but net income increased 800 per cent.

• • • Complete figures for August bank deposits are not available, but the showing as compared with last year will be less favorable than in July. For the week ending August 16 the national figure was 11 per cent better than last year, but for the two prior weeks the total was 5 per cent under last year.

• • • Department store sales for the first half of August show an increase over last year. In the New York stores the increase of 3 per cent is the first gain over a preceding year's period in more than two years.

• • • Chain store sales in July were uniformly good. Sears, Roebuck gained 11.1 per cent; First National, 9.9; Melville Shoe, 6.6; Lane Bryant, 16.1; Kroger, 4.8; Grant, 13.6; Woolworth, 7.9; Montgomery Ward, 15.3; A & P declined 1.2.

• • • Combined room and restaurant hotel sales have now caught up with corresponding months of 1932. The pick-up is general throughout the country, but, of course, the Century of Progress puts Chicago far ahead of all other cities with an increase of 60 per cent in sales.

• • • The firm of Horwath & Horwath, hotel accountants, definitely spike the oft-repeated statement that beer has been of no help to the hotel business. Beer sales have a ratio of 7 to 10 per cent to food sales in every section where beer is legalized, and the fact that restaurant sales have picked up faster than room sales would seem to indicate that, in general, beer sales are not merely taking the place of other beverages or of desserts, but are representing additional business. In states where the sale of beer is not legal, restaurant sales have not made as good a showing as room sales.

The let-down in automobile production has been no greater than seasonal, and retail sales are holding up well. July output was 204 per cent above last year. The low-priced cars continue to get the bulk of the business, but higher-priced vehicles are now having a decided pick up. On August 7 Oldsmobile retail deliveries for the year went ahead of the sales for the entire twelve months of 1932. Essex sales for the week ending August 12 were 120 per cent of the 1932 week. Buick sales for the first ten days in August were 159 per cent of the 1932 period. Pierce-Arrow July shipments were 102 per cent better.

Newspapers Show Pick-up

Newspaper advertising in July made the best showing in two years—the total being 96

per cent of the previous month. National advertising was 4.6 per cent better than July of 1932 (the first gain in 26 months). Automotive increased 10 per cent and financial 10.7 per cent. Newspaper advertising is a good indicator of returning confidence.

• • • Gains of some individual newspapers are startling. The Omaha *Bee News* in its issue of August 10 carried 31,850 lines of national and 12,600 lines of local—the largest issue in national lineage in the history of the paper. The national lineage of the Chicago *Daily News* in July was 45 per cent over a year ago, and for the first two weeks in August the gain was approximately 100 per cent.

• • • One of the most reliable indices of returning prosperity is the number of help wanted ads in the newspapers. New York City papers show an exceptional upturn. In March the classified advertisements for male and female help averaged 50 per cent of the 1932 figure. By June the average was 118 per cent; in July 126 per cent, and for the first half of August 150 per cent.

• • • Although Dr. Wiley succeeded in putting his Pure Food and Drug Act on the statute books, there has never been a criminal conviction in the courts for its violation. His successor as a crusader is Dr. Tugwell, assistant secretary of agriculture, and he is preparing a new law which is supposed to have sharper teeth.

• • • He is preparing an exhibit for display at the first Congressional hearing his bill gets—an exhibit made up of lavish statements from the radio, printed advertisements and labels, against which he is placing his conception of deadly parallels of actual fact.

• • • Roller skates and railroads are now about the only methods of transportation in which the Cord Corporation hold no substantial interest. Within a fortnight they secured control of New York Shipbuilding (they have the largest Government contracts) and Checker Cab.

• • • The air passenger lines are breaking all records. In July the United Lines set a world's record for a single month with 15,562 passengers—45 per cent above the same month last year. American Airways carried 13,917 passengers, an increase of 38.8 per cent.

• • • One thousand bankers in 1,000 small towns of less than 10,000 population (distributed through 20 states) were recently asked by *Household* magazine whether they could see a business upturn in their communities. Eighty per cent of those replying answered affirmatively.

• • • Would you be interested in having reprints of "Significant Trends" to send to your salesmen as a guide to business conditions? The Illinois Bell Telephone Company is sending out several hundred copies to their business staff and they report an enthusiastic reception. If interested, write SALES MANAGEMENT for quotations.



Takes Helm at Textile Firm: Fred Williams (left), long an outstanding sales executive in the textile industry, has now moved up from vice-president in charge of sales to president of Cannon Mills.



Another Marketing Man for the Agency Field: J. M. Cleary (right), for years with the Chicago Tribune, and more recently president of the White Company of Cleveland, has joined Roche, Williams & Cunningham, Chicago advertising agency, as a partner.

Marketing Men Join Mathes: Chauncey L. Landon (below, left), vice-president and director of sales and advertising for the past six years for Canada Dry Ginger Ale, Inc., has been elected vice-president in charge of marketing for the newly formed J. M. Mathes agency of New York. Gordon E. Hyde (right), formerly of N. W. Ayer & Son, has become secretary, and Hyland L. Hodgson (center), formerly vice-president of Ayer, has been made secretary-treasurer.



Two More IBM Men Move Up: Gordon Packard (right, below), until now sales manager of the Tabulating Machine Division of International Business Machines Corporation, has been made European sales manager for the four major IBM divisions. He has been succeeded by Roy Stephens (left below), formerly manager of the IBM Tabulating Service Bureau. Stephens has been with IBM for 20 years.



Who's Now Who

Stephens photo by DuBois; Landon by Kaiden-Keystone; Hodgson by Dudley Hoyt; Williams by Blank & Stoller.

Aggressive Sales Work Beginning in Earnest;

Business Marshals Men and Media; Heavy Sales Drives on



Editor,
Sales Management,
420 Lexington Avenue,
New York, N. Y.

Yes No

- () () 1. As compared with the first half of 1933, we plan to increase the numerical size of our sales force within the next ninety days.
We estimate this increase at approximately _____ %
- () () 2. As compared with the first half of 1933, we plan to have our present sales force travel their territories more extensively during the last half of 1933.
We estimate this increase at approximately _____ %
- () () 3. We plan to increase our advertising (including all forms of sales promotion) during the Fall of 1933, (over the schedules for the Fall which were in effect as of March 1.)
We estimate this increase at approximately _____ %
- () () 4. We plan to increase our appropriation in 1934 (including all forms of sales promotion) over 1933 expenditures.
We estimate this increase at approximately _____ %

Company _____

Individual and title _____

OUR-TENTHS of American sales organizations will increase their sales forces before November 1, six-tenths have increased their Fall advertising as a result of better business or greater hope, or both, and eight-tenths expect to spend more in 1934 than in 1933. These are some of the general conclusions which may be drawn from the returns of a survey recently completed by SALES MANAGEMENT among several hundreds of its readers. (See questionnaire and analysis on opposite page.)

Salesmen will be given orders to travel more extensively—to cease concentration in only the largest cities—to go out and beat around in the bushes for orders. Forty-three per cent of our subscribers plan to have their salesmen operate more extensively and intensively, and they are speeding up the tempo by an average of 34 per cent.

Those who believe the time is ripe for more promotion will increase their expenditures by an average of 46 per cent this Fall and 51 per cent in 1934.

Sixteen per cent of the executives said, in substance, this: "Throughout the depression we have maintained our sales force intact, and also our advertising. We are not making any increases now and we hope to reap some benefit in the future for the high selling costs we deliberately ran up during the past three years. What increases we make from this point on will depend entirely on what happens."

Plans for the Fall seem quite definitely set. Nearly every executive made a definite answer to the first three questions, but on the fourth, dealing with the size of the 1934 advertising appropriation, 32 per cent of all responding said they hadn't decided or were uncertain.

The NRA is quoted by some as a source of hope, by others as a deterrent factor. One president in the textile field said: "Regret to advise

Advertising Appropriations Up by Wide Margins

that we have been so upset by the NRA that we have not formulated any plans for the last half of 1933." A general sales manager says: "Will not speculate until NRA sets up 'what is cost?'" Another said: "We notice in most of our territories both a greater willingness and a greater ability to buy since the NRA started."

Makers of hardware and tools seem easily to be the most optimistic of the groups: they and the somewhat allied paint and varnish makers lead in taking on salesmen; they are increasing their intensity of territory coverage by 53 per cent; three-quarters of them are increasing Fall appropriations and by an amount far greater than the average, and a full 100 per cent are planning increased promotion for next year.

The most pessimistic, so far as concerns the expectation that an increased sales force can help much this Fall, are the makers of jewelry and

watches, shoes and hosiery, and women's wear.

We notice all the way through the tables an apparent belief that the average householder is going to tidy up and improve his home—note the optimism not only of the hardware and tool and paint and varnish men, but what the makers of household furnishings are doing. The plumbing and heating industry also is emphatically bullish, it seems, although the percentages of increases they are making are among the more moderate ones. Makers of building materials, too, are feeling better than for a long time, but several pointed out in explanatory remarks that it might be another full year before real prosperity returned for them. The returns show, however, that they are not going to wait until then to operate more aggressively.

Lack of space makes impossible the listing of all the subscribers who cooperated in the survey, but we are

especially indebted to executives of the following companies for the additional data and explanatory remarks which they sent us: Hammermill Paper, Duofold, Inc., Lowe Bros., Hamilton Watch, Williams Oil-O-Matic, Easy Washer, Kohler & Kohler, H. J. Heinz, Petroleum Heat and Power, Gerber Products, D. L. & W. Coal, Beech Nut Packing and Auburn Automobile.

Also Holeproof Hosiery, Ivanhoe Foods, Phillips Petroleum, Studebaker, Mennen, Lavoris, Van Raalte, Jantzen, Owens-Illinois, Chris-Craft, Sandura, Barker Asphalt, Boncilla, Jelke, College Inn, W. F. Young, Inc., Prophylactic, A. E. Nettleton, Skelly Oil and Gorham.

Also Endicott Johnson, Cheney Bros., Millers Falls-Goodell Pratt, Taylor Instrument, Lee of Conshohocken, Champion Spark Plug, Willard Storage Battery, Armstrong Cork and Corning Glass.

How Big Companies Are Going After More Sales This Fall and Next Year

	SALESMEN		TRAVEL			FALL ADVERTISING			1934 ADVERTISING			WE DON'T KNOW			
	Will inc. force within 90 days		Those increasing will add average of	Travel territory more extensively		Those increasing will increase average of	Will increase Fall advertising over plans as of March 1, 1933		Those increasing will add average of	Increase planned but amount uncertain	Will increase 1934 advertising over 1933		Those increasing will add average of	Increase planned but amount uncertain	
	% Yes	% No	%	% Yes	% No	%	% Yes	% No	%	%	% Yes	% No	%	%	
Autos & Accessories . . .	53	47	11	62	38	24	75	25	49	30	60	40	67	30	45
Building Materials . . .	34	66	8	66	34	35	37	63	46	20	62	38	77	20	10
Confectionery and Soft Drinks . . .	24	76	I. D.	76	24	12	27	73	I. D.	35	75	25	15	35	25
Drugs & Toilet Goods . . .	50	50	34	55	45	42	50	50	52	25	89	11	42	37	38
Grocery Store Products . . .	37	63	37	38	62	31	56	44	56	21	71	29	44	0	23
Hardware & Tools . . .	57	43	15	43	57	53	71	29	64	40	100	0	27	40	25
Household Electric Appliances . . .	35	65	I. D.	65	35	I. D.	35	65	I. D.	25	50	50	I. D.	50	35
Household Furnishings . . .	20	80	I. D.	60	40	43	60	40	67	33	75	25	74	33	20
Industrial Machinery & Equipment . . .	33	67	I. D.	0	100	I. D.	67	33	I. D.	0	I. D.	I. D.	I. D.	0	65
Jewelry & Watches . . .	0	100	0	100	0	I. D.	50	50	I. D.	0	100	0	I. D.	0	50
Men's Wear . . .	35	65	25	100	0	37	65	35	20	20	100	0	20	0	60
Office Equipment, including paper . . .	40	60	27	80	20	13	80	20	25	0	100	0	30	50	60
Paints & Varnish . . .	60	40	13	20	80	10	50	50	7	0	67	33	15	0	20
Petroleum Products . . .	45	55	18	65	35	29	61	39	24	20	74	26	39	25	24
Plumbing & Heating . . .	33	67	30	60	40	22	50	50	18	20	67	33	20	0	38
Radios & Musical Instruments . . .	50	50	I. D.	50	50	I. D.	100	0	35	0	60	40	I. D.	25	35
Shoes & Hosiery . . .	17	83	15	100	0	16	83	17	27	45	80	20	33	50	33
Women's Wear . . .	17	83	I. D.	60	40	21	80	20	10	30	75	25	25	60	50
Miscellaneous . . .	50	50	42	50	50	32	50	50	28	0	100	0	34	0	25
GRAND TOTAL	39	61	25	43	57	34	59	41	46	23	78	22	51	27	32

Editor's Notes:

I. D.—Denotes insufficient data from which to strike an average.

Percentages given for items marked "uncertain" apply to total number of responders in group.

Spot News on the NRA

Don't Listen Too Much!

This is a period when a little deafness must be considered an asset. One hears so much which obviously cannot be true. In this period of lull and uncertainty, manufacturers see clearly the higher costs or the uncertainty of what costs are going to be, and they must take only on faith the promise that there will be higher purchasing power. Right now the NRA news from the factory fronts has a bluish tinge.

This other kind of news which we read in the papers and hear over the air is the "inspired" type of ballyhoo propaganda. We would like to believe that our problems would be solved as quickly and as painlessly, but we can't.

The surface news at the moment is not a reliable index. The *fundamentals* have not changed, but the necessary time lapse between plans and execution puts the test ahead at least a full month, perhaps longer—or until the country is more fully organized by accepted industry codes.

Nuts—Just Nuts

We could fill the page with instances of the confusion which NRA is creating at the moment. We refrain because we believe this in-between period to be inevitable, and therefore that pot-shot criticisms are out of place until the plan has had a fair test. We'll content ourselves with just one story which came to us from one of our readers who makes a certain machine. He has orders, plenty of them, but at the time he told the story he couldn't fill them because he needed nuts—and the nut and bolt makers wouldn't quote prices until they found out what their increased costs would be. Ordinarily he could pick up the phone and get a million nuts delivered at his plant the following morning. Now for lack of a nut the machine can't be built, for lack of a machine the . . .

Sales Below Cost

Uniform cost accounting is approved by the Government in *theory*. But it is likely to be many months before any plan will be approved. In

the meantime "sales below cost" will lead to much confusion, since "cost" is an elusive item. Plant valuations, for example, can be juggled to meet competitive situations. By writing down the plant it may be possible to undersell competitors without technically selling below cost. Those who picked up properties under foreclosure or other forced sales are in a very advantageous position.

A Ford Straw Vote

One of our editors turned inquiring reporter this week and asked 17 consumers whether they thought Mr. Ford was justified in playing a lone hand, assuming that his hours and wages were more favorable than NRA asked. The opinions were *unanimous* that he ought to play the game with other manufacturers. Consumers right now are united against non-cooperating units. Will they be if it turns out that those out of the NRA give them lower prices?

Soft Pedaling Vertical Codes

Rejection of the radio manufacturers' code and the order that they should go under the electrical code is illustrative of the changed plans in Washington. To get something working at once, the Administration is trying to get numerous related lines under a single code.

The Oil Code

The Government is being attacked in some quarters for dictating the oil code and going into the price-fixing business. The facts seem to be that the diverging interests of the industry couldn't get together and so dumped the code into the Roosevelt-Johnson lap. For at least 90 days we shall see the President rationalize the prices of crude at the well and gasoline at the filling station.

F. P. A., in the New York *Herald Tribune*, was moved to remark: "Well, we don't understand it. If the President can fix the wholesale price of gasoline, it is to be assumed that all gasolines are alike. Yet we motorists who read the advertisements know that this is not so. There isn't one brand that isn't incomparably better than any other."

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Helping the Farmer

The AAA, brother of NRA, has talked many representative canners—Campbell Soup, for example—into increasing their prices to tomato growers by 25 per cent above the prices in contracts already made. This will bring the grower-value up to the 1931-'32 level without increasing canners' costs more than 7 per cent (raw materials being one-fourth to one-third the finished product cost).

Minimum Yearly Wages

A left-wing steel "union" made an interesting proposal to Secretary Perkins. The codes being submitted by every industry establish minimum hourly or weekly wage schedules. The steel employees asked for a minimum *yearly* wage of \$800. In other words, it suggests a form of unemployment insurance for those workers who may be employed only part of the year. Though the "lefts" were barred by the police from Miss Perkins' "regular" meeting in Pittsburgh, she held another meeting for them on the steps of a nearby post office, and it is said that she did not consider their demands excessive.

Salesmen Have Code

A code for traveling salesmen, calling for minimum salaries, guaranteed expense accounts and week-ends at home, was submitted to the NRA by the United Commercial Travelers of America, claiming a membership of more than 100,000 active and retired salesmen and business men.

The agreement made no provision for minimum working hours, since it was set forth that "the selling business is more peculiar than any other business," but provided that salesmen be permitted to return to their homes over the week-end except when the expense would be greater than remaining on the territory.

A minimum salary of \$150 a month plus reasonable traveling expenses was urged for salesmen working upon a salary and expense basis with an allowance of five cents a mile for light cars and six cents for heavy ones.

No date has been set for a hearing on this code.

Roy Howard Sees Extended Boom in Far East

BY OTIS PEABODY SWIFT

CREATION of powerful new trade influences in the Far East—great State Monopolies dominating entire industries—has been revealed by Roy W. Howard, American newspaper magnate, who has just returned to this country from a whirlwind air tour of Japan, China and the newly created state of Manchoukuo.

Yet, despite the rise of such monopolies and the increasing sweep of Japanese influence across Asia, Howard believes that the Far East stands on the verge of a tremendous trade boom in which American manufacturers can and will profit markedly, the publisher declared in an exclusive interview with SALES MANAGEMENT on his return to New York City.

"The independent yet Japanese-sponsored State of Manchoukuo—a nation of 30,000,000 people—has already set up a Communications Monopoly," Howard said. "Oil and steel monopolies are now forming. The American firms which wish to do business will have to do it through these monopolies. The 'Open Door' in this great territory will be closed considerably under Japanese direction, legally and without violating the letter of any treaties. The monopolies will buy where they please, which will be in Japan in all cases where that nation is able to meet the demand at a proper price.

East Is Becoming Westernized

"Yet in the face of this I predict a boom, and a great opportunity for American goods. There will be a larger sale than ever of U. S. products in this area in the next two decades. Japanese development will produce higher standards of living and widen the demand for imported articles. The problem for the American manufacturer and sales manager is to understand what is happening out there, and take advantage of it in the right way."

"In Manchuria, Japan will build roads, railroads and cities. There will be increasing outlets for automobiles, road-making machinery, reproductive machinery, and the heavy industries.

"The entire Orient is awake. Look beneath the marching and the counter-marching, cease thinking of Chinese internal strife as opera bouffe, and you will see that the new regime in China—with its 400 or 500 million people—is getting somewhere. Chinese trained in American universities with the Boxer Indemnity money are running the country, are westernizing habits of thought.

What They Will Buy

"Here, again, are colossal markets which will develop as the standards of living are raised with the modernizing of China's economic and political status.

"But let's make sure we're trying to sell them the right things. They can use our airplanes, automobiles, road machinery, reproductive machinery, products of heavy industries. Of course, you will find every conceivable type of American merchandise—drugs, cosmetics, cigarettes—everywhere in the Oriental cities. But we've got to be selective in our trade; keep sharply in mind what they really need. If you've got something they need in their change-over to western habits of living, machines to make machines, or goods made with specialized machines they do not understand—go after the market.

"Naturally, Chinese coolies and peasants are not going in for Occidental cosmetics, toilet articles, etc. The big outlet for these products in China is naturally the foreign element and the educated classes among the Chinese. Inasmuch as education is advancing with considerable speed in China and, in consequence, the standards of living and desire for creature comforts are increasing, a



Photo by Hal Phye

Roy W. Howard, chairman of the board of directors, Scripps-Howard Newspapers, directs 25 daily newspapers reaching 2,500,000 subscribers in key cities of the U. S. A. He has just returned from an air tour of the Orient, during which he was received in audience by H. I. M. Hirohito, Emperor of Japan.

Aspects of the Far Eastern trade situation, cited by Roy W. Howard, following his 9,000-mile air survey of the East, are:

"China-travel is air-travel today. In four hours we made one flight it would have taken nine days to do by canal and river—the only other method by which the trip can be made.

"By air you travel for hundreds of miles over literally thousands of villages, literally hundreds of thousands of people who have never heard of modern plumbing, electric lights, modern conveniences. Their houses are made of dried mud.

"Motorboat makers should look at this market. It's amazing how much of China isn't land, but water. . . . rivers, canal systems, thousands of lakes. It's country you'd buy by the quart, not the foot.

"Lots of people lie awake nights worrying about Japanese technology. Don't.

"The Japanese are artists and artisans, but not technicians or mechanics. They do a fine job in their field. They're good at assembly jobs. They are great creators in the arts. They are only imitators and followers in mechanics."

logical expansion of trade along these lines is to be expected in the Orient.

"But if you're just making gadgets yourself, remember that the Japanese can make them cheaper. Individually, lots of people are worried about Japanese invasion of our home market here in the U. S. It's true that they can flood us with relatively cheap grades of fans, tin toys, crab-flakes and even electric light bulbs. That is the sort of thing they can do with their low cost, relatively inexperienced labor.

"But consider this:

"In the 40 years of life of the automobile industry, Japan has yet to create a single Japanese automobile or a single airplane company. They let Americans—General Motors at Osaka, for example—take this market. They offer no competition for the automotive trade in China or Manchuria. From Java to Vladivostok the American automobile is king. That's what I mean by sticking to the sort of trade we do well in out there."

Mechanical Efficiency Lacking

"I am not enough of a specialist on American capital investment abroad to indulge in any prophecy as to what the future is going to bring forth. Much will depend upon our own foreign policy as regards the Orient, and especially upon our future course in the Philippines. If the Philippines withdraw from under the American flag, our policy in the Far East will be modeled along entirely different lines than those which will be necessary if the Islands continue as our extreme Far Eastern outposts. Until the question of the future course of the Philippines is determined, American capital investment in the Far East is apt to proceed with extreme conservatism—and it should.

"The fact of the case," Howard continued, "is that the Oriental countries lack the incentive to develop mechanical efficiency. Labor is so cheap—sometimes as low as 10 cents a day in China—that it isn't worth while to undertake extensive installations and capitalizations. They merely keep out of the industries that require these things; are content to make their money elsewhere, leaving these fields to us. It will be a long time before we really have to worry about Japanese technology—and during that period we can and should profit mightily by filling the demands that are being raised every day by the modernization of the East.

"That modernization—for China, Manchoukuo and Japan alike—is inevitable. Nothing is going to stop

it, and there is no reason why anyone should want to. Instead, we can profit by understanding it, and riding with the stream out there.

"It is impossible for me to generalize to the extent of stating what sales psychology should animate an American contemplating an export business to the Orient. It is obvious that the needs of each particular line can only be catered to with intelligence by people who have made a first-hand investigation of the field and its potentialities. It is doubtful if any part of the world is the subject of so much misinformation, and conse-

quently so much misconception of its actualities, as is the case with the Far East. Those American interests which have been most successful in the Orient—people like the Standard Oil Company, Singer Sewing Machine, and United States Steel Corporation—have based their success on an intensive, and at times expensive, study of the market, and even after having gotten themselves established continued large expenditures on research and the collection of information to keep themselves abreast of the changing times and changing demands of the situation."

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ROYAL SIGNET·SENIOR
PAYS FOR ITSELF!

The typewriter you need! With standard 4-track keybaord, 2 shift-keys, and Royal's new Detective pic type. And it costs only \$37! Simple—easy to use—whether you've ever typed before or not! How it will help you in your literary work! Typewritten manuscripts, as you know, are much easier to correct and re-phrase. Thus, too, tight manuscript and legibility count tremendously with editors. And that means money—more money—to you! See this new Royal Signet·Senior—try it at your nearest dealers. Or, if you prefer, use the coupon below.



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Royal Typewriter Company, Inc., Dept. WSD, 2 Park Avenue, New York City
Please send me without obligation, interesting free literature describing the entire important and valuable features of the new Royal Signet Senior.

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City _____ State _____ Zip _____

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OF 17 WORLD-FAMOUS AUTHORS AND INSTRUCTORS

NOW AVAILABLE FOR THE FIRST TIME IN ONE HANDY VOLUME

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How to type and how
THE WRITER'S SECRET STORY
THE SECRET STORY
THE MOVIE
THE MYSTERY STORY
THE DETECTIVE STORY
THE JUVENILE STORY

A Manual of Typesetting
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The one Royal Signet-Senior Typewriter—length 26½", width 14", height 15", weight 15 lbs.—is the best writer. Standard 4-track keyboard, Detective pic type, 2 shift-keys. Price only \$37.00. See how it pays for itself.

The cost of handling and mailing. And this money, even, will be refunded on the purchase of any Royal Home Typewriter. Use the coupon below. Do not delay. The supply is limited.

Royal Typewriter Company, Inc., Dept. WSD
2 Park Avenue, New York City
Please send me copy of Royal Signet Senior
Book, "From Plot to Print." I enclose herewith
check or money order for \$37.00, less
cost of handling and mailing.

Street _____
City _____ State _____ Zip _____

Thirteen coupons from this 330 from this.
—Cool to free literature about a typewriter, writers were more than glad to pay a quarter for a book that would help them "plot" a bit better.

"Bread and Butter" Plan Book Multiplies Coupons 19 Times

BY LAWRENCE M. HUGHES

Every advertisement of the Royal Typewriter Company, Inc., New York, whether in magazines or in "technical" papers reaching typists or writers, now carries a coupon—offering prospects something as an inducement for sending it in, and providing dealers with an ever-full reservoir of specific leads. This policy also is used effectively by the dealers in their newspaper advertising.

Returns, however, W. A. Metzger, advertising and sales promotion manager, has discovered, vary a lot with the type of inducement. Current full

pages in the *Writer's Digest*, for example, have been about 19 times as prolific of coupons as advertisements of the same size in the same publication in earlier issues of this year.

In the first five months these ads offered, at one time or another, a free course in typewriting, free literature about the Royal Senior Signet model, and free trial of a typewriter. There was not much difference in their pulling power: 33 coupons from the January issue; 10 from the February; 16 March; 13 April, and 10 May.

(Continued on page 228)



As told to
Herbert Kerkow

BY

R. O. EASTMAN

*R. O. Eastman & Company,
New York City*

What Any Industry Can Do to Rationalize Prices

BECAUSE an illogical, uneconomic price structure is the heritage of many industries, clarification of this structure, without any taint of price-fixing, is one of the major steps any industry can take toward real recovery.

A sound price structure leads to immediate price stabilization, provided it is accepted by Washington. This clarification and rationalization of prices involves decision of the component parts of a vertical industry group on the following main issues:

Definition and classification of trade outlets and of consumers. Determination on whether you will have one net price list less discounts, or separate net price lists for each class of trade.

Decision as to what kind of discounts or differentials are necessary (a) for various functions performed, and (b) for varying quantities purchased.

Distributor and agency relations.
Freight considerations.

Cash discounts and selling terms.
Policy on trade-ins, exchanges and allowances.

The first step in any attempt to formulate a price structure is the clear definition and classification of trade outlets and of customers. What should be the official definition of a customer or consumer in your industry? How will you define a dealer? Is your industry to recognize the semi-jobber, or is it to protect the retailer and full jobber in their profits? If there are converters in your industry, where do they fit?

Any definition should be based on this fundamental: "What functions does the industry—meaning both the manufacturers and their outlets—want each trade outlet to perform?" Once you have decided this, you next can ask what these functions are worth to your industry?

The second step is to determine whether you will have one net price list less discounts or separate net price lists to each class of trade. There is sometimes a psychological advantage in setting up a suggested price the wholesaler should keep to in selling the retailer. Another method of curbing the price-cutter is to convince Washington to let you tie in your trade outlets under the fair trade practice rules of your industry code. Then if the wholesaler, for example, violates these rules he is in danger of losing his recognition as a wholesaler.

The third step is the most important of all and by far the most complicated, as well as the one requiring the soundest economic thinking. It is: What kind of discounts or differentials are necessary for various functions performed for varying quantities purchased?

Many industries have almost every

possible combination of distribution to contend with in solving these questions. They may have any number of distribution routes from manufacturer, via converter, wholesaler and retail dealer, to the industrial consumer and individual consumer. Every time there is a deviation from the ideal in this structure there is opportunity for unfair competition.

Obviously, if a dealer performs both functions of wholesaler and retailer, he buys his goods at wholesale discounts, yet sells them in competition with the retailer down the street. Even if he doesn't cut prices on the basis of this buying advantage, he still has a larger margin and this unfair advantage enables him to add special sales pressure such as advertising, more salesmen, or combination deals.

Each of the distribution factors mentioned above must have a margin or percentage on which to operate. In the past many have not been protected in their legitimate business. If you originally defined and classified each of the distribution agencies in your industry in terms of function, the problem of setting discounts and differentials is materially simplified. If

you have based your trade differentials on size or buying power, you are headed right back to the existing abuses.

Even a classification by function does not solve all of your problems. What about the chain store? Are its functions different from any other kind of retailer? Did you give the chain a better price because it of-

The price situation in many fields is unnecessarily tangled because no systematic effort has been made by the industry as a whole to standardize its price practices. Here is a suggested procedure for beginning clarification.

federal you additional functions or because of the amount of business involved?

Once you decide your industry's policies anent the chains, you may have trouble deciding where to fit in the mail-order house. If you plan to treat Montgomery Ward and Sears, Roebuck any differently from chains, you must also realize they both have large chain store divisions as parts of their businesses. And what of smaller wholesalers in other lines who, heretofore, have reserved the right to sell direct to the consumer under certain circumstances?

Why Is a Discount?

In deciding these conflicting issues you must remember that you cannot make exceptions in your code and have it sound. Thus you face two alternatives: If there is no chance of putting the big mail-order chains, wholesaler-retailers like Marshall-Field, or regular chains like the A & P, on the same basis as the regular wholesaler or the small retailer down the street, you will have to resort to quantity discounts. Or, if you can't decide on this step, take the other alternative—which is to realize that after you get through classifying there will still exist unclassified trade, and, until this trade has been classified and written into the code, the whole industry will serve it on an open-price basis.

If you decide to establish quantity differentials you will find your economists disagreeing sharply. In any event, quantity prices roughly divide themselves into three classes:

(1) One is a differential given on the basis of total purchases in a given period regardless of the source and is thus based on a company's aggregate buying power.

(b) Another is a differential based on the aggregate sale by the source of supply to the individual customer over a given period.

(3) The last is a differential on the size of the individual order or shipment, i.e., a case or a carload lot price.

Any industry is bound to run into entanglements in the consideration of either the first or second type of differential. If your industry is going to allow a quantity differential in either the first or second case, the logical basis is what the individual company sells rather than what a group of companies aggregate in sales to that buyer. Don't say that "because the customer is buying ten thousand gadgets every season, of which I sell him only one thousand, I must give him the ten thousand volume price." If you allow such a

customer the ten thousand differential, you face the difficulty of having to establish the power of audit to determine what the customer's total buying power is. This latter alternative of allowing a differential on the basis of the customer's total purchases in your industry would almost make compulsory an exclusive distributor relation.

In setting up a sound price structure many industries may have to revamp their present practices of distributor and agency relationships. In many industries where there are authorized distributors, where some companies operate through distributors and some through owned or controlled branches, the logical procedure is to put the distributor on the basis of a branch house. But this can be done

only if the manufacturer ties his distributor into the industry code. Thus the manufacturer may constitute such distributors as his legal agents and take the responsibility of their adherence to the fair trade practice rules of the code. In fact, this would be self-evident legally because an authorized distributor is the legal agent of his principal, and the principal, therefore, is responsible for the misdemeanors of his agent under the code.

It is hoped that the administration in Washington will make it possible
(Continued on page 233)



Window and interior displays help to win listeners for the Iodent radio programs.

Iodent Finds Premium Requests Poor Measure of Radio "Pull"

BROADCAST advertisers who judge the effectiveness of radio, or of individual radio stations, as a medium by the number of requests for premiums received from listeners are making a grave mistake which may be costing them a great deal of money, in the opinion of J. W. Kane, general manager, Iodent Chemical Company, Detroit. The only just measure is the sales curve, he contends.

"During our seven years of broadcasting," Mr. Kane said, "we have used a wide variety of give-aways. We have tried all manner of tests and made innumerable analyses.

"We have reached three conclusions: 1. That broadcasting does increase sales; 2. That the number of requests for premiums received from any territory is no indication of the effectiveness of the advertising in that territory; 3. That broadcasting may be depended upon to produce surprises of one kind or another regularly.

"Our present program, Detec-a-tives Black and Blue, is the most effective of the six kinds of programs we have sponsored. It has been increasing sales for us during the very worst of the depression. It has brought us an increase in every one of the twenty-

(Continued on page 231)

RETAIL SALES, MONROE, WIS. 1929 and 1932	SALES VOLUME (in thousands of Dollars)			PERCENTAGE OF ALL RETAIL SALES		PER CAPITA AVERAGES			NUMBER OF OUTLETS	
	1929	1932	% Change 1929-32	1929	1932	MON- ROE 1929	MON- ROE 1932	13 Metro- politan Cities 1929	1929	1932
Total Retail Sales.....	\$4,998	\$3,064	-38.71	100.00	100.00	\$997.00	\$611.00	\$622.00	118	133
Grocery, Meat and Comb't'n Stores.	890	642	-27.87	17.80	20.95	177.00	128.00	94.72	18	23
Department, Dry Goods & Variety..	403	324	-19.44	8.05	10.58	80.27	64.67	x	6	6
Women's Ready-to-Wear & Accessor.	167	110	-34.20	3.34	3.59	33.32	21.92	x	5	6
Men's & Boy's Clothing Stores.....	138	77	-44.15	2.77	2.52	27.59	15.41	x	4	4
Motor Vehicle Stores.....	882	303	-65.62	17.65	9.90	176.00	60.46	52.52	10	8
Filling Stations.....	367	410	+11.70	7.34	13.37	73.13	81.68	11.57	7	14
Garage, Auto Accessories & Repairing	55	25	-54.08	1.09	.82	10.88	4.99	x	6	7
Hardware & Farm Implement.....	363	176	-51.50	7.27	5.75	72.46	35.15	6.57	4	4
Lumber & Bldg., Coal, Fuel & Ice..	395	239	-39.32	7.89	7.81	78.69	47.75	29.20	3	5
Plumbing and Heating.....	63	23	-60.78	1.26	.81	12.62	4.95	x	4	4
Drug Stores.....	151	100	-33.92	3.03	3.27	30.20	19.96	20.51	4	4
Jewelry Stores.....	55	29	-47.98	1.10	.94	11.01	5.73	10.79	5	5
Shoe Stores.....	85	53	-37.56	1.70	1.74	17.00	10.61	14.32	3	3
Cleaning, Pressing and Tailoring.....	28	22	-20.70	.56	.73	5.60	4.44	x	4	3
Restaurants.....	84	61	-27.09	1.68	2.00	16.77	12.33	x	4	6
Cigars and Confectionery.....	120	104	-13.70	2.41	3.39	x	x	x	3	3
Soft Drinks.....	55	29	-47.02	1.10	.95	11.12	5.78	x	6	6
All Other Stores.....	697	335	-51.99	13.96	10.88	x	x	x	23	23

The Consumer's Dollar: 1929 and 1932

A STANDARD market data folder of Monroe, Wisconsin, prepared for the *Evening Times* of that city by George A. Jones, reveals some interesting changes not only in consumer buying power during the last four years, but changes in consumer buying habits, and raises a host of questions which have a bearing on the distribution problems of today and tomorrow.

Monroe is a city of 5,000 near the Illinois line, and the trading center of a trade area of 16,855 people, whose incomes are derived from farming, dairying—and especially cheese making. Mr. Jones' analysis of 1932 retail sales was made possible by the fact that in the state of Wisconsin individual, partnership and corporation state income tax returns are available for study, and by comparing 1929 and 1932 returns Mr. Jones obtained accurate and detailed records covering the changes in consumer purchasing.

The fact that the study covers only one city may preclude any great general value; the city is, however, typical of many areas outside the large metropolitan and highly industrialized areas—and typical of the great farming section where government efforts are now being concentrated to increase purchasing power. Certain facts of especial interest are brought out in the study:

1. The total number of retail outlets increased between 1929 and 1932.
2. The variation between the Census of Distribution 1929 figures and those made from income tax returns was less than \$20,000—or one-half of 1 per cent.
3. A good share of the total filling stations' sales volume, that of bulk sales made to farmers, was lost in the government report.
4. Small stores weathered the depression better than the larger ones.
5. Certain types of outlets tended to disappear

or became of considerably less importance: the largest store in each of these classifications—furniture, plumbing and heating, electrical appliances—went out of business.

- a. Is this peculiar to Monroe or typical of all small cities during the depression period?
- b. Where did the business go—to other types of outlets, to neighboring, larger cities?
- c. Did it disappear entirely, or is it in a state of suspended animation, waiting for the stimulant of higher purchasing power? Will the manufacturer seek these potential sales through different types of outlets?
6. In 1932 a larger proportion of the consumer's dollar went for food and clothing—except that men and boys cut down on new clothes and spent a larger proportion on cleaning and pressing to make the old pair of pants presentable.
7. They bought fewer new cars, by 65.6 per cent—but used more gas, probably because the old cars were less efficient.
8. The biggest decreases came in motor cars, hardware, farm implements, lumber, plumbing, heating, jewelry—which may mean that these fields have the greatest pent-up demands and will show the greatest increases with the return to more prosperous conditions.
9. Monroe—and this may or may not apply to other small cities—showed a 38.7 per cent decline in 1932 retail sales over 1929, while the average decline for the country as a whole, as estimated by SM in the April 10 "Survey of Spending Power," was 42 per cent.
10. In five important classes of commodities per capita 1932 retail sales in Monroe were greater than 1929 averages for 13 leading metropolitan cities. (Comparisons in some groups are impossible because the Monroe survey consolidates certain classifications as given in the Census of Distribution reports.)

Two Million Braves Let Loose; Seminole Tissue Sales Soar

BY LESTER B. COLBY

NEARLY 2,000,000 young Indians went on the warpath between New York and Omaha and Tennessee and the Great Lakes in the last two months.

And, queer thing about it, they're all Seminoles.

It all happened because someone connected with Seminole Paper Corporation, Chicago, division of International Paper Company, got a bright idea. He recognized the immediate value of an Indian article connected with the product's name.

The mass result is that seven factories have been working day and night all summer making Indian headdresses, turkey feathers have jumped from 90 cents to \$4.10 a pound and khaki strips have doubled in price.

And never in the memory of man, or mother, has there been such a demand for toilet tissue!

Boom Days for Feathers

Seminole, using New York as a testing ground, started July 1 to give away an Indian headdress—five brightly colored feathers fastened in a headband with the name "Seminole" stamped on it—with each four rolls of Seminole tissue sold.

If the idea worked, it was to spread it into other territories. It has.

With each case of Seminole tissue the company furnished 100 colored comic sheets featuring "Slim and the Seminoles." Included also was a brightly colored display card to be fitted over rolls placed on the counter, a poster and twelve headdresses.

Knee-high America met the offer with a whoop. It went medicine dance. The first realization of what it all meant came when the A & P stores of metropolitan New York, together with the National Grocery, Roulston, Butler, Eagle, Bohack, to

mention only a few of the eastern chains, and about 10,000 Krasdale, Banner and other New York voluntary chain units, started clamoring for these headdresses.

Then came calls from A & P throughout the Middle West, the en-

demanded them for their troops. Kindergarten teachers wanted headdresses for their summer classes. Individual grocery stores started asking for them by the thousands, to be given away as souvenirs on opening days.

Executives of large organizations fell into the spirit and adorned themselves during business hours with headdresses. Many stores joined in this feature and had their entire sales staffs wearing these headdresses during the sales.

Bales of Coupons

In the end it became necessary to build up two entirely separate organizations, one in New York and the other in Chicago, to handle the details of collecting the headdresses and advertising material and of packing these for distribution to Seminole customers throughout the country, and, at times during this campaign, these organizations were working 24 hours a day and seven days a week.



Sales staff of the Leader Mercantile Company, Inc., Minneapolis, in feathers for its "Seminole Day" Sale, proving that feathers can be used as a sales-tickler.

tire Kroger system, the Fisher chain in Cleveland, the Butler in Pittsburgh, and many smaller chains.

Handbills and window displays were supplied through the various distributing organizations. So were mats and cuts, with copy, for newspaper tie-ups. Many distributors reproduced the entire colored comic page, newspaper size, on the backs of their own circulars.

Chambers of Commerce started writing in for Indian headdresses for parades and picnics. Camp Fire Girls

Each colored comic page carried a coupon good for a headdress if sent to the Chicago office of the Seminole company with four wrappers from Seminole tissue and 4 cents in stamps. The coupons came in bundles and bales.

In a few days 50,000 outlets were supplying tissue and headdresses!

The year of the yo-yo, in comparison, was only a mild rash.

"We never anticipated anything like it," said H. B. Weil, vice-president and general manager, to SALES

**PERSONAL RATING CHART
COVERING
QUALIFICATIONS FOR LIFE INSURANCE SELLING**

OF

		RATING SCALE				
		1	2	3	4	5
Factors	Qualifications for Standard Rating	Maximum Points	Penalties	Net Points		
Age	25 to 44 Years	3				
Education	College Graduate	3				
Marital Status	Married	3				
Previous Business Experience	1 Year or More Outside Selling Retail Store Proprietors Executives Insurance—Clerical or Sales	3				
Financial Status	Life Insurance Carried \$5,000 or More Personal Property—\$2,000 or Over	3				
Years in Community	2 Years or More	3				
Employed	Employed	2				
	TOTAL	26				

If the individual's qualifications are as set forth in the "Qualifications for Standard Rating" column (No. 2), he is, of course, given the maximum points allocated for each factor, "Maximum Points" column (No. 3). If the individual's qualifications are as set forth in the "Penalty Points Table" column (No. 7), he is penalized according to the "Penalty Points" column (No. 8). The

Pub. No.

		PENALTY POINT TABLE		Penalty Points
		6	7	8
Age	Under 25 Years			2
	44-55 Years			2
	Over 55 Years			3
Education	Less than College Graduate but more than 2 Years High School			1
	Less than 2 Years High School			2
Marital Status	Single			1
	Separated from Wife			1
	Divorced			1
Previous Business Experience	Less than One Year Outside Selling			2
	Student			1
	Bankers—Financial Salesmen			2
	Clerical Workers (unless Insurance Clerk)			2
	Teachers, Clergymen—Social Service Workers			1
	Lawyers—Doctors—Scientists			3
	Other Non-Selling Occupations			3
Financial Status	Life Insurance Carried Under \$5,000			1
	Personal Property—Less than \$2,000			1
Years in Community	Less than 2 Years but more than 1 Year			1
	Less than 1 Year			2
Employed	Unemployed for more than 90 Days			1

points penalized are noted in the "Penalties" column (No. 4) and subtracted from the "Maximum Points" column (No. 3), the difference being noted in the "Net Points" column (No. 5).

Consider each of the factors listed in this chart. The rating is obtained by adding up the points given in the "Net Points" column (No. 5).

THE GUARANTY LIFE INSURANCE COMPANY OF AMERICA

Analysis of the performance over a six-year period, of the records of 22,000 life insurance agents, produced the formula shown above on the left-hand side, for the "ideal" type of man for life insurance sales work. The method of application of the penalty points shown in the right-hand list is fully explained in the article on the facing page.

MANAGEMENT. "We wanted to move Seminole tissue off the dealers' shelves. We wiped 'em clean! It was the wildest rush of reorders I've ever seen.

"The success of the campaign could not have been attained without the support and cooperation we received from our brokers, who devoted considerable extra time in seeing that the Indian headdress material was properly distributed to our various customers and that displays and merchandising hook-ups were given us throughout their territories.

"This Indian headdress campaign fitted in extremely well with a special brokers' contest we were running at the same time."

The deal was closed on August 31. The final date for the turning in of coupons is September 15. All things must end. Probably they've got to grow a new crop of turkey feathers.

New Pen Sales Soaring, Parker Inaugurates Largest Campaign

Some surprising results from the introduction of a Vacumatic Filler pen last spring—including sales increases of 738 per cent in Boston, 336 in New York, 262 in Buffalo and an average gain of 306 in Chicago and St. Louis—have induced the Parker Pen Company, Janesville, Wisconsin, to launch this Fall one of the most extensive advertising campaigns in fountain pen history.

The program, said Kenneth Parker, president, will include the use of 292 large city newspapers, 169 college papers, the *American Weekly* and the *Saturday Evening Post*. Total circulation in the United States will be 102,000,000. A similar program has been worked out for Canada.

Color advertising and rotogravure, in half and full pages, will be used generally, where available. Copy will emphasize that the new pen, doing away with the ink-sack, holds 102 per cent more ink without increase in size. The quality and amount of ink may be seen by holding the pen against the light.

The larger program is based on results of a test campaign last spring in the five cities whose sales increases are mentioned above.

During the first week of the campaign in Chicago seven store windows in the Loop were smashed and the displays of the Parker Vacumatic pen were scooped up by thieves. Old-style pens in the same windows were not touched. Since then the stores have displayed "dummy" pens with cards announcing that fact to the thieves.

Blackett - Sample - Hummert, Inc., Chicago, handles the advertising.

Chart Rates "Success Chances" for Prospective Salesmen

BY

BRUCE CROWELL

Guardian Life tests a new plan for selecting life insurance agents—insists applicants be at least "16-20ths" of ideal developed out of analysis of 22,000 salesmen.

FIRST statistics available after an 18 months' test of a new plan for rating and selecting men who apply for positions as life insurance salesmen indicate that the Guardian Life Insurance Company has made some appreciable progress toward the solution of a problem that is the bane of every life insurance company in the country—the immoderately high turnover among agents.

Briefly, the Guardian's "Personal Rating Chart," a simple printed form which can be filled out in two minutes' time, is designed to grade men on their qualifications for life insurance selling in terms of tangibles rather than intangibles. The basis of the "ideal" set-up is a study of the performance, over a period of six years, of 22,000 life insurance agents, made by the Life Insurance Sales Research Bureau.

In an effort to develop a better technique of selecting new agents, six representative American life insurance companies three years ago pooled their records under the auspices of the above-mentioned Bureau, for an analysis to determine what factors of age, background, education, business experience, etc., seemed to make the best potential insurance man-power. The research was designed to reveal not only what groups were most productive from a sales standpoint, but what classes of initiates proved to have had the most persistence, or "staying power."

Some very definite trends showed up in the statistics.

The Most Likely to Succeed

One important thing that developed, for example, was definite evidence that professional men—doctors, lawyers, scientists—are almost always a total loss if brought into insurance. They not only have poor staying power, but out of the twelve vocational classifications used in the study, they ranked next to the bottom in average production per agent. They do not improve either in persistence or productivity over a period of years.

Highest persistence was found among men who had been clerks in an insurance office. But the highest average production was found not among this group but among men who

had formerly been salesmen in other lines. Straight through the six years these men held the lead in production.

Especially interesting were the standings of men who had formerly been teachers, clergymen, or Y. M. C. A. secretaries. They ranked eighth in staying power—only a fair showing. If they did stick, however, their production per man rose steadily upward. Standing ninth in average sales at the end of the second year, this group showed up fifth at the end of the fourth year, and third at the end of the sixth.

In the analysis of "survivors" during a six-year period by age-groups, those who were from 35 to 44 when appointed showed up best: 181 surviving out of every 1,000. The 45-54 group came second, with 174 out of 1,000; then, in order, 25-34; 55-and-over; and less-than-25.

This standing also shifted when analyzed by average production. Here the 25-34 group stood first, with the less-than-25's running second and 35-44 third.

On the subject of education as a factor in sales success, the figures are somewhat enigmatic. In staying power, college graduates showed up best, but, strangely enough, those who had only a grammar school education rated above those with some college education, high school graduates, or those with some high school training.

On a sales production basis, college graduates were tied at the end of the sixth year with the group that had had only 1, 2 or 3 years of high school for first place. Lower than grammar

school graduates, in third place, did far better than high school graduates or those who had had 1, 2 or 3 years of college. All of which proves only that chances of sales success do not necessarily increase in proportion to the extent of the education enjoyed by the applicant.

The problem of "How long shall we give a new man to make good?" is answered pretty conclusively in the figures which analyze production of new men during the early part of their life insurance sales careers. If a new man can produce at the rate of \$325,000 a year for the first three months, he will turn out to be selling half a million or more at the end of the third year. If he produces at the rate of \$165,000, he will be in the \$300,000-\$500,000 class at the end of three years. If he sells only at the rate of \$105,000 a year during his first three months, he is still profitable, but turns up among the tail-enders three years later. If he can't produce at the rate of \$60,000 for his first quarter-year, he isn't worth keeping on, because this group drops off in succeeding years and never becomes profitable.

They Devised a Formula

"We found the averages developed in the analysis of the 22,000 men from six companies very nearly to approximate our own individual averages," said Richard W. Griswold, assistant superintendent of agencies for the Guardian. "With this fairly conclusive check on our own experience we set out to develop some simple formula which could be used on a practical basis by our general agents in recruiting new men."

And so came the Guardian's "Personal Rating Chart." (See illustration at top of facing page.) On one side of this chart are listed the ideal qualifications for a new man, broken up into a point rating. The total—20—would, of course, mean perfect rating. But on the other side is a "Penalty Table," which indicates the points to be subtracted from "perfect" for various deviations from the "ideal."

The ideal man, on the basis of averages, is from 25 to 44 years old, for example. On this he is credited

(Continued on page 235)

Point-O-Purchase Broadcasting Test Boosts Sales 48 Per Cent

SALES of the twenty-two nationally known products featured during the two-weeks' test campaign recently conducted in Detroit by the Point-O-Purchase Broadcasting System, Inc., registered an average increase of 48 per cent, as compared with the two-weeks' period immediately preceding, according to Thomas R. Walton, vice-president. Individual increases are said to have ranged as high as 107 per cent.

Jubilant over the results, officials are rushing preparations to introduce, early this Fall, their "missing link" between manufacturer and consumer," which guarantees radio circulation at the very point of purchase.

Establishing Test Conditions

This new kind of broadcast advertising service—patented some months ago and sponsored by a group of prominent business men and sales experts, most of whom are located in Detroit—is designed to bring the sales message to the consumer at the actual point of purchase. Means of accomplishing this are patented radio receiving sets located in retail stores and controlled from a central point. These receivers are so fixed and controlled that they must pick up the station that is broadcasting the Point-O-Purchase program, and no other. The broadcasting system is thus able to guarantee radio circulation and, furthermore, to guarantee to the advertiser that his sales message will reach the prospect at the very time when she is in the store, with money in her hand, and most receptive to buying suggestions. The same program also goes into homes, but that is counted only as "bonus circulation."

While the plan contemplates expansion in several directions, it will be confined at first to retail stores of large grocery chains, beginning in Detroit and vicinity and adding stations from time to time until the entire country is covered. It is expected that participation will be limited to about twenty-five national advertisers.

Point-O-Purchase Broadcasting System was incorporated early this year, but instead of going out immediately to try to sell its services, it chose to conduct an exceptionally thorough and

B Y
D . G . B A I R D

expensive test campaign for the double purpose of perfecting a method of operation and of providing facts and figures on which to base its claims.

Arrangements were made to conduct the test in thirteen A & P and twelve Kroger stores in Detroit and vicinity, representing practically all types and sizes of such stores and located in diversified districts.

Permission was obtained from manufacturers of twenty-four nationally advertised products to make the test on their goods, but three of the products, made by one manufacturer, were grouped and counted as one. The list follows: Swift's Premium ham and bacon; LaChoy chop suey; Kellogg's corn flakes; Del Maize Niblets; Gold Medal flour; Wheaties; Bisquick; Kraft Velveeta, American, and Old English cheese; Carnation milk; Karo corn syrup; Mazola; Linit; Kre-mel; Heinz ketchup; Heinz beans; Fould's macaroni; Oxydol; Chipso; Crisco; Ivory soap; P & G naphtha soap; Ry Krisp.

Daily sales of each of these products in each of the twenty-five stores were then checked for two weeks by the store managers, the period being from May 26 to June 9.

The actual test campaign followed immediately—June 10 to 23—with the manager of each store checking his sales of each product daily, as before.

Tailored-to-Housewife Program

One of the synchronous radio receivers was installed in each store, with two or more loud speakers, so the broadcast would be heard in uniform volume in all parts of the store. There were as many as six speakers in the largest stores.

The program, entitled "Your Market Basket" and addressed to "thrifty housewives," was broadcast daily, except Sunday, by Station CKLW between 10:30 and 12:00 and 3:30 and 5:00 p. m. Entertainment was provided by a first-class, fifteen-piece orchestra, including a string sextet, two-

piano team, violin soloist, organ, and other features. The music was all instrumental; no singing and no wise-cracking or other diversions. Selections were all of the soothing, quietly pleasing type; some dance selections, but no "Hot-Cha" stuff.

It was an announcement program, of course, and after almost every selection the announcer made a brief talk about some one of the featured products, winding up with the suggestion that the shopper buy a package right then and take it home with her.

Five announcers, including one woman, were used during the period, the purpose being to determine what type of announcer seemed to have the greatest influence on the shoppers. The woman met with very poor success, which convinced the management that housewives don't prefer radio announcers of their own sex.

"Bonus Circulation"

No price concessions, premiums, or other inducements to buy during the period were offered, with one exception: LaChoy gave a can of noodles free with the purchase of a can of chop suey. As the test was conducted during extremely hot weather, Chinese foods were out of season, yet the reported gain for LaChoy was 81 per cent.

The broadcasting system gave away ten baskets of food, comprising all the advertised items, each week for the best recipes submitted by listeners-in. Contestants were not required to purchase anything. They were asked numerous questions about the program, however, including where they heard it. This provided proof of considerable "bonus circulation," as a goodly percentage of them had heard the program either in their own homes or in stores other than those in which the test was being made. Many also reported that they had been unable to find the advertised products in their neighborhood stores.

The broadcast was not advertised in any way; there were no special window or interior displays to tie up with it in the stores, no tie-up with the manufacturers' advertising, and no trick merchandising of any kind. No prices were quoted by the announcers.

The list of advertised products was rotated daily, but all products were advertised during each broadcast.

A Point-O-Purchase representative in each store clocked the number of customers who entered during the broadcast periods and numerous representatives of manufacturers and agencies were on hand to observe and check results. The average "circulation" per store per week was 1,847. The store managers checked their sales of the advertised products and made the reports, Point-O-Purchase having no opportunity to influence results, even if it had desired to do so.

The cost of all equipment, servicing, station time, talent, program direction and continuity was borne by Point-O-Purchase and the manufacturers whose products were advertised assumed no obligation.

As already stated, the average sales increase of all products during the two-weeks' period was 48 per cent, as compared with the two weeks immediately preceding. A few individual increases were: Oxydol, 107 per cent; Carna-

tion milk, 90 per cent; LaChoy, 81 per cent; Mazola, 70 per cent; Chippo, 67 per cent; Kre-Mel, 64 per cent; Kellogg's corn flakes, 63 per cent.

Numerous other results were also noted. For example, the number of "no sale days"—days when no unit of a given product is sold—were reduced 34 per cent, and numerous examples of customers being switched to an advertised product at the very moment of purchase were reported. Thus, a woman had asked for one brand of soap just before she heard Ivory mentioned over the air, whereupon she made some inquiry about Ivory and bought it instead. Many others bought Kellogg's corn flakes instead of the kind of breakfast food they had come in for, while still others made inquiries concerning products which they heard advertised and with which they were not familiar.

The influence on clerks was another major result. Many who had never seemed to be able to learn to use any kind of sales talk on the individual products soon learned the announcer's

blurb by rote and began using it in selling.

Following the two-weeks' broadcasting, sales of the advertised products were checked in the same way during the next two weeks to learn the extent of the decline, if any, but these figures had not been compiled at the time this article was written.

To Be Sponsored by Advertisers

The broadcasting company also sent a questionnaire to the store managers to secure their opinions of various features of the campaign, for guidance in preparing the regular program which is to follow later. Mr. Walton said that the regular program, which will be sponsored by national advertisers, will, likely, be quite similar to that used during the test. There will probably be some change in hours and in minor details, however.

George B. Storer, chairman of the board and treasurer of Point-O-Purchase Broadcasting System, Inc., is head of the company which owns and operates radio stations CKLW, Windsor and Detroit; WSPD, Toledo, and WWVA, Wheeling, West Virginia. Included in the Point-O-Purchase directorate are Carlton M. Highbie, Eaton Manufacturing Company; Albert Kahn, architect; Sam Picard, Columbia Broadcasting Company, and R. K. White, Pontiac sales manager, Buick-Olds-Pontiac Sales Company.

"Private" Radio System To Be Offered by IBM

"Micro-wave" radio—providing instantaneous written communication between business departments—soon will be introduced by International Business Machines Corporation, New York, as a result of its acquisition from Radio Industries Corporation of patents on the radio-type.

The radio-type consists of an electric typewriter with a compact transmitter attached, explained Thomas J. Watson, president of IBM, which is synchronized with a similar installation at some remote point. Impulses may be conveyed either by radio or wire. A sending set able to transmit impulses several hundred miles over very short wave lengths, it is said, would be about as large as a midget radio set. The power of a flashlight battery will transmit impulses several miles.

Walter S. Lemmon, president of Radio Industries Corporation, and developer of the radio-type, will head this division of IBM.



Proof of the Pudding: A roomful of winners in Point-O-Purchase's contest for listeners-in. The prizes—baskets of food—were offered for the best recipes submitted each week, but contestants were required to answer numerous questions about the programs.

Twenty-two nationally advertised products, ranging from Gold Medal flour, Kraft cheese and Carnation milk, to Oxydol, Ry Krisp and Bisquick, participated in this Detroit try-out of a new point-of-purchase advertising plan.

Wanted: Some Automobile Sales Managers for the Railroad Industry

Much of the difficulty which the railroads ascribe to automotive and potential air and pipe line competition should and could have been relieved by an alert and aggressive railroad policy—Report of the National Transportation Committee headed by the late Calvin Coolidge.

THE bar chart reproduced here (from the 1933 Yearbook of Railroad Information) reports the gloomy history of passenger business on the railroads during the last ten years.

The steady decline in number of passengers carried began long before 1930, so it seems logical to conclude that the only effect of the depression was to accentuate a trend already well established.

Charging motor competition with its great passenger losses, the majority of the industry has not consistently enough faced other direct and logical explanations of its trouble. True, motor competition is important. But the real crux of the matter is that the railroads have done so lamentably little to offset this competition through intelligent basic selling policies—particularly those policies which might be founded upon a relentless search for what the consumer wants—and doesn't get.

Railroad transportation has many advantages over automobile transportation—it could have many more. But the automobile people have done so much better a job of merchandising the particular advantages of car ownership as against the selling job done by the railroads that rail passenger business has suffered to a far greater extent than it should have suffered.

See, in Chart II (reproduced at the bottom of this page through the courtesy of *The Econostat*) the almost unbelievable progress made by the airlines, practically the whole of it having been accomplished during the same depression, and faced with the same automobile competition, as the railroads faced. For a youthful industry, air transportation has been well sold. During the greater portion of its history air rates have been higher than Pullman rates, yet business has grown at a remarkable pace.

(Continued on page 228)

M. H. Cahill, president of the "Katy," two weeks ago broke out in full-page newspaper advertisements with a frank statement of the road's need for patronage. Question: can any road plead back its business, or can it be regained only by tuning its service more closely to the public wants?

Frankly and Directly
*I Appeal to the
People of
St. Louis*

An emergency faces our railroad—the link which joins you to customers, relatives and friends in Oklahoma and Texas. For your sake and theirs, your support is unhesitatingly asked.



How to do your Bit—

Use coupon below or telephone number Katy 2-1212.
If you are writing to the Katy RR addressed, add the last two digits of your number.

What to do?

You can do three things. First, ship your freight on Katy—wherever you can—your relatives or every kind of the Katy, from St. Louis to the West, from the Gulf to the Midwest. Second, buy more Katy securities. Third, help the Katy to keep its place in the market by supporting the men who work for the Katy and the Great Southern.

The Katy has sought out the best of the people's interests through the years.

1. The Katy is a railroad of insight, every passenger meeting in or out of the Great Southern, the Katy is a railroad of opportunity, a railroad in a spirit of brotherly cooperation, but as a railroad of opportunity, the Katy is a railroad with a record, including the present depression, of being a leader in the field of transportation, who loves a challenge and winning battle. Opportunities are opportunities.

2. The Katy has sought out the best of the people's interests through the years.

3. The Katy has consistently paid dividends to its stockholders, and the Katy has always been a safe investment, whether large or small.

4. The Katy has actively sought out the best of the people's interests through the decades of the Katy's history, and the Katy has always been a railroad of the people's interest.

5. The Katy has sought out the best of the people's interests through the years.

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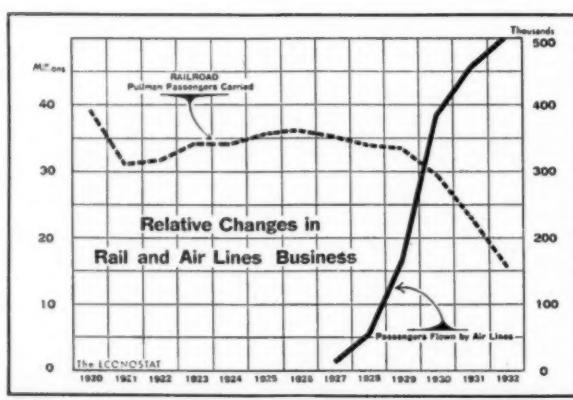
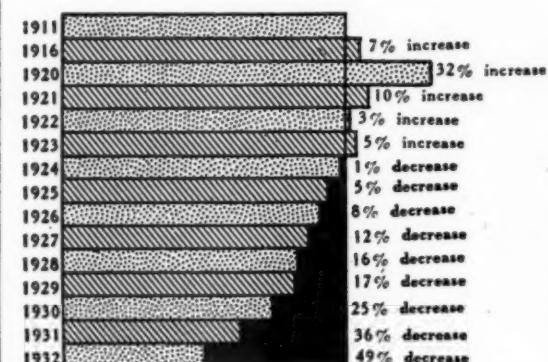
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(Figures refer to changes from 1911)
REVENUE PASSENGERS CARRIED



The steady decline in passenger traffic began long before 1929—the depression only accelerated a trend already well established. Chart from the 1933 Yearbook of Railroad Information.

Depression or no depression, the airlines (with the same competition to face as the railroads) have made almost unbelievable progress during the last five years. Keen marketing sense on the part of airways passenger managers is a big factor in this record. Chart by courtesy of *The Econostat*.

*That night, like clockwork,
came Long Distance calls
from field men in all parts
of America*



BECAUSE Long Distance gets things done quickly and definitely, and cuts costs in many ways, it has the approval of executives in every line of business. It is their long right arm . . . in getting quick delivery on purchases, in contacting dealers and distributors in distant cities, in handling important administrative matters.

An opportunity to discuss all details

The telephone is of particular value in everything relating to the selling of merchandise. An example:

By midnight of the day the Plymouth Motor Corporation introduced its 1933 car to the public, they knew exactly how it had been received in every corner of the country. For four hours, from 8:30 P.M. on, the staff in Detroit

held telephone conversations with 49 regional sales supervisors . . . thus getting word-of-mouth reports of the reactions of car owners and dealers in every territory.

"The results could not have been more satisfactory," says the Sales Manager. "The calls came in like clockwork at five-minute intervals. We knew that the car was an immediate success. We learned what models were selling fast, which helped in scheduling production. We were able to give the men encouraging news from other sectors—good strategy in any sales drive. And we could easily iron out little misunderstandings, because of the opportunity the telephone gave to discuss them fully."

"This made the fourth time we have used the telephone

reporting plan within a year—each time an outstanding success."

The Bell Telephone System works in close co-operation with business concerns of every kind in helping them to make more effective and economical use of this valuable service. We will gladly do the same with you. A call to the Business Office will bring a representative at your convenience.

TYPICAL STATION-TO-STATION RATES

From	To	Daytime	7 P.M.	8:30 P.M.
New York	Philadelphia	\$.50	\$.40	\$.35
Atlanta	Louisville	1.45	1.25	.85
Chicago	Boston	3.25	2.65	1.75
Denver	Detroit	4.25	3.50	2.50
Los Angeles	St. Louis	6.00	4.75	3.50

Where the charge is 50 cents or more, a federal tax applies as follows: \$.50 to \$.99, tax 10 cents . . . \$ 1.00 to \$ 1.99, tax 15 cents . . . \$ 2.00 or more, tax 20 cents.



Sunkist Film Moves Quantities of Fruit for Growers Exchange

One chain more than doubled sales; another sold 32,000 Lemon-Orange drinks in two weeks; a third increased a previous average of 246 boxes per week to 1,203 boxes during a special sale. A sales film was the major factor in producing these increases.

BY W. B. GEISSINGER

*Advertising Manager,
California Fruit Growers Exchange,
Los Angeles*

SUNKIST'S newest four-reel talking motion picture, "A Partnership for Profit" (Castle Films, New York-San Francisco), introduced January 18, 1933, has broken all former film attendance records for the California Fruit Growers Exchange. To date the film has been shown before an audience of more than 28,000, through 350 meetings of chains, voluntary chain groups, independent retailers and jobbers.

In any number of cases the showing of the film either inspired or aided special sales of Sunkist products in which new high records were set in volume of fruit sold during a given period.

Through the use of sales films, Sunkist visualizes to the trade, in picture and word, important merchandising messages, on how to buy, price, display and sell Sunkist citrus fruits. By this method we feel that Sunkist forms a closer contact with the wholesale and retail trade, develops a more complete understanding of mutual problems, and presents a practical, proved merchandising plan for each of the groups, all of which results in closer cooperation between grower, jobber and retailer.

Ten portable projection units are stationed at central points throughout the United States where dealer service men can pick them up for scheduled film meetings. Our own projection units are supplemented with the projection facilities of our producer, especially in the thickly populated centers throughout the East.

"A Partnership for Profit" receives surprising praise at trade meetings, and numerous educational institutions

have requested showings for their classes in merchandising and advertising.

There follows a brief synopsis of the subject matter of the six reels which constitute three separate pictures of four reels each—one set for the independent grocers, one set for the chain store buyers and one set for the soda fountain operators.

The first two reels of the picture are termed "master reels" and are shown with each of the three sets. Beginning with the arrival of the Spanish Padres and the planting of the first orange tree near the Mission San Gabriel, the picture gradually unfolds, in story form, to the modern version of the industry today.

The cultural methods used in the Sunkist groves, as well as the grading methods in the packing house, are shown in progressive order.

The grove scenes are well interspersed with aerial photography to give the layman a comprehensive idea of the immensity of this great California industry.

The fruit is then shown arriving at metropolitan markets and the careful manner in which it is inspected by the buyers on "Produce Row."

The difference between the auction and private method of sale is explained and the duties of the district manager, jobber, retailer and dealer

(Continued on page 229)



Sunkist Executives in the Camera's Eye: Castle Films' men shoot a scene in "A Partnership for Profit," Sunkist's successful sales film for retailers and jobbers.

Mail-Order Hat Sale Plan Trebles Knox Over-the-Counter Business

To emphasize the compressibility of its Vagabond felt hats, Knox, the Hatter, New York City, took a tip out of the catalog of the mail-order houses a month ago and started to sell the Vagabond to vacationing New Yorkers, by means of a coupon in their *Timeses* and *Herald Tribunes*.

From seven insertions, beginning July 30, five in the *Times* and two in the *Herald Tribune*—all the identical copy, 5 columns by 10 inches—the Knox retail headquarters, at 452 Fifth Avenue, had received by August 24 coupons ordering some 500 of these \$5 hats. Sixty-three came in the first day.

The coupons were received from El Paso, Texas; Lincoln, Nebraska; Monroe, Louisiana; Aguirre, Puerto Rico; Orlando, Florida; Santa Barbara, California; Port Au Prince, Haiti; Wakenburg, Colorado, and way points, including a few by mail from New York City—the residents of which apparently had enough faith in the compressibility of the hat and the irrepressibility of its style to have it sent to them (prepaid in a special box) for the cost of a 3-cent stamp, rather than to pay 10 cents for a round-trip subway fare to the nearest

of the five New York Knox stores, or its scores of agents scattered throughout the greater city.

A vastly larger number of stay-at-home New Yorkers, however, said G. F. Parker, general manager of the retail division of the Knox Hat Company, to SM, were so impressed by the convenience and style suggested in the appeal to out-of-towners (illustrated by a debonair chap looking at a horse race or a beach or something through field glasses, and wearing a Vagabond) that *three times* as many Vagabonds were sold during August as during August of last year.

"Twenty-five hundred dollars' worth of business is not a good showing from \$1,500 spent in advertising," Mr. Parker explained. "If you considered this thing only from the mail returns, you would not get the picture at all. And if our dealers throughout the country thought that we were trying to take their customers away from them by a mail-order campaign, we'd run into no end of trouble. But I think the campaign was a good idea in proving the comp- and irrepressible features we're trying to get over. It is helping the Vagabond all 'round.

"The campaign also is enabling us to determine the relative value of Sun-

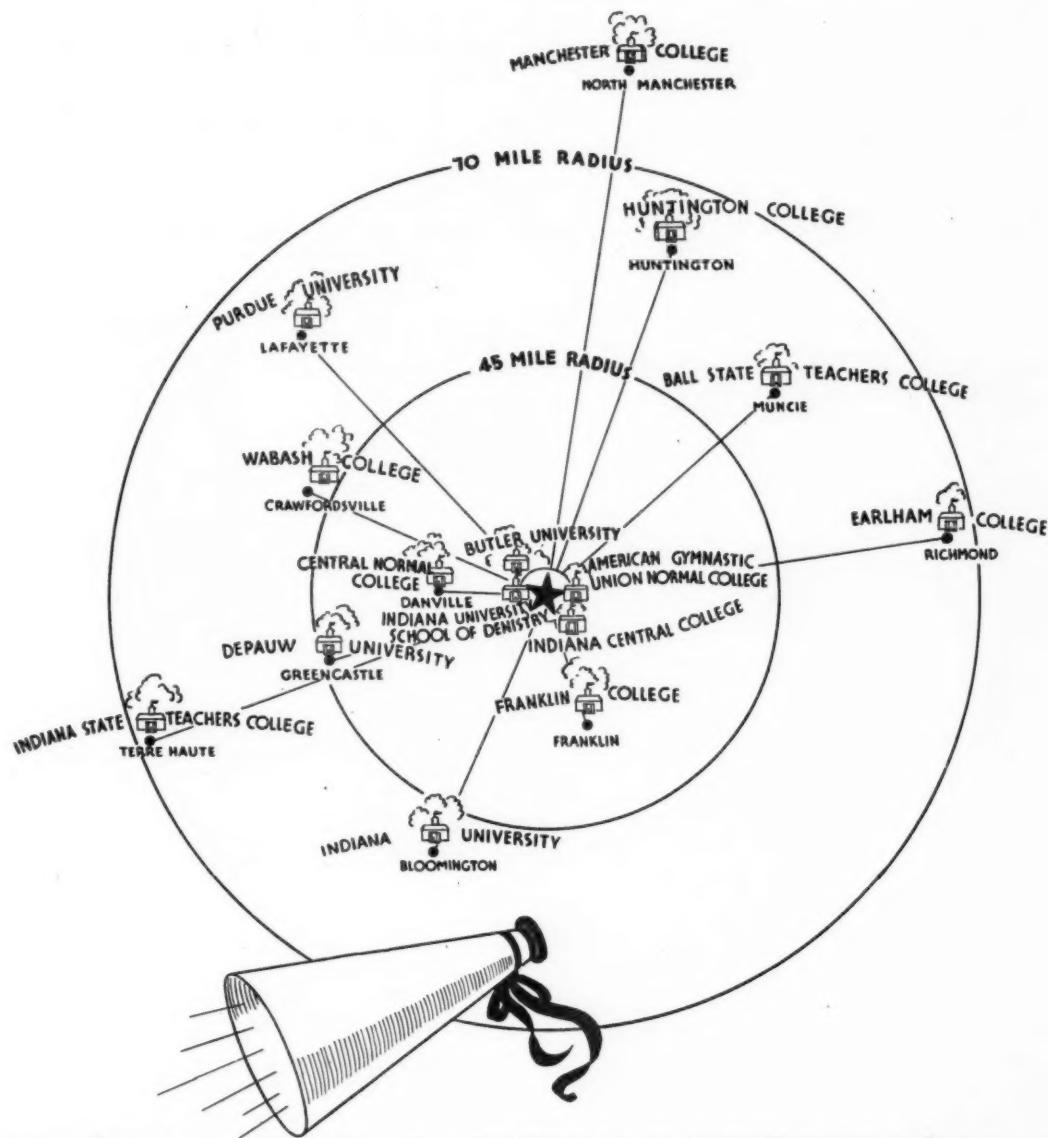
day as against weekday insertions, and run-of-paper as against sporting pages. I'll have some interesting figures on this phase of it for your next issue. (There are still two more insertions scheduled in August.) My own idea is that Sunday insertions are better. I also lean toward run-of-paper. One of the newspapers persuaded us to try out a sporting page insertion. But I think many men's hats are bought by the wives. The wife is usually the first to discover that Henry's old hat has begun to look disreputable, and to see that something is done about it. We can reach her best in the section that contains the other store advertisements, and on Sunday.

"We had to work out the coupon pretty carefully. On it were listed a choice of ten colors: light, medium and dark grey and brown, respectively, dark blue, apple green, chamois and white. These were not the colors by which we store people usually know them, but they meant more to the layman. A man got the correct size by checking with the hat he had with him. If he was already a customer of this store, we probably had his size on file.

"Our care in working out the coupon and filling orders is illustrated by the fact that not one of the 500 hats ordered by mail has been returned.

"Over the counter sales," Mr. Parker added, "have been stimulated by effective window displays emphasizing the same features. Another factor at the store is the 'ovalized sixteenths' in hat sizes, introduced last spring. By this method hats are made to fit the oval-, wide oval-, or long oval-shaped heads, down to a sixteenth of an inch. Previously there was only one shape made for all three heads, graduated every eighth of an inch. We worked the new system out from our customers' hat-size registry, embracing some 100,000 heads. It was instrumental in doubling the Knox business last spring, and has been applied to other divisions of the Hat Corporation of America, which includes Dunlap, Byron, Hodshon-Berg, Dobbs and Crofut & Knapp.

"The wholesale division of the Knox company liked the idea of the coupon campaign so much they have sent along information about it to 50 of their largest accounts, a number of which have put it into effect."



OUR "COLLEGIATE" MARKET

Our "collegiate" market—fourteen colleges and universities, with an approximate 1933-'34 total enrollment of eighteen thousand students. All but one of them are located within the seventy mile Radius of Indianapolis. A number of these students are part-time employees of The News.

Here is another mighty good reason why an aggressive advertising campaign in this rich central Indiana market will produce profitable results NOW.

The Indianapolis News with its adequate coverage of this market with home delivered circulation, can do the selling job here for you, economically . . . and ALONE.

THE INDIANAPOLIS NEWS

SELLS THE INDIANAPOLIS RADIUS

New York
DAN A. CARROLL
110 E. 42nd Street

Chicago
J. E. LUTZ
180 N. Michigan Avenue



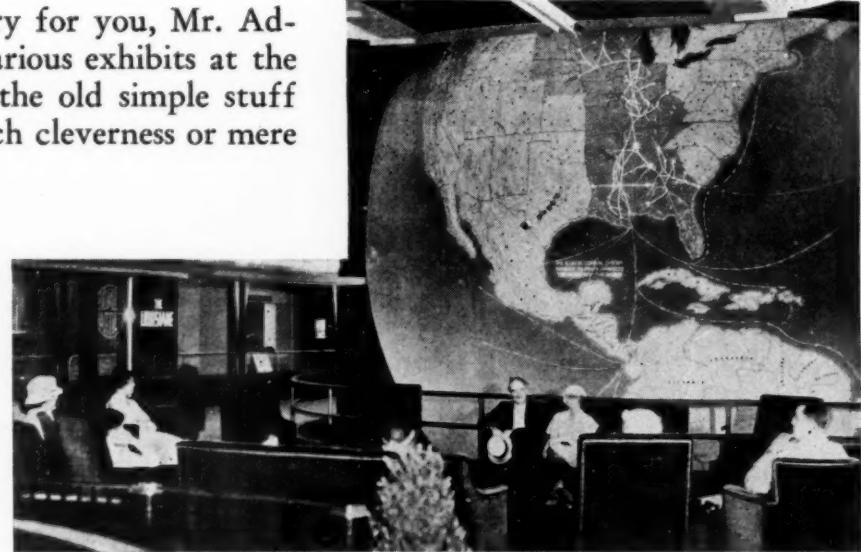
Fraud, Foliage and Free Samples: Reporter Finds Tastes of Masses Unjaded at Chicago Exposition

—and there's a significant story for you, Mr. Advertiser! The "pull" of the various exhibits at the big fair is proof positive that the old simple stuff still packs 'em in while too much cleverness or mere lavishness leaves 'em cold.

IT may be "A Century of Progress" for the leading middle western city and "A Century of Progress" for industry; but before you raise one blister of the scores that will be yours after seeing the enormous exhibition at Chicago, you realize that "folks is folks" and that they have progressed not at all in the past hundred years.

The moment you step off the train in Chicago, the attitude of the people about you registers "County Fair." The station newsstands are loaded with souvenirs, exposition pennants blaze everywhere, hotel barkers line the streets, and out-of-towners buzz about like bees which have lost their hive. Bewildered eyes, half-open mouths, hand clinging to hand! From the station to the North Gate of the Fair Grounds, through miles of walking, the confusion of a kaleidoscopic bedlam, the impression persists until you leave at the South Gate and board a departing train that these are "just folks," the kind of domestic folks we are advertising to every day, the kind of folks who buy our products.

If you enter the exposition grounds with the idea of watching the visitors instead of allowing your personal reaction to register, you will be astounded to learn that the soul of the mass is simplicity itself. A single exhibit, costing hundreds of thousands of dollars to erect and operate, will often be found less interesting to the folks at the Fair than a tiny booth, where a trick knife cuts vegetables into fancy shapes or where chameleons change color on bits of colored cloth. If your eyes and ears are open to stops and comments of the crowd, you will learn many ways to save and make money, not only in the future exhibits



Maps of any kind seemed to have magic appeal . . . this one was no exception. Flowing lines of light on a 22-foot relief showed national and international trade routes served by the Illinois Central system.

but in other branches of advertising. You will carry away with you a new realization of the simplicity that makes real advertising values.

You will be shocked when you weigh the hundreds of thousands of dollars that some companies have wasted for fleeting impressions against the small amounts that others have spent to make real sales.

Certainly you will gain an entirely fresh impression of the domesticity and simple lack of sophistication that make up the average American purchaser of your goods. You will find an orderly crowd of home folks, away on vacation. The Fair has so little drunkenness, pocket-picking, and others forms of disorderly conduct usually connected with large gatherings of people that the special police find it hard to keep busy. Most of the visitors are man and wife, most often with two or three tired and excited children dragging along.

The features that attract the folks at the Fair to commercial exhibits, make them stop, look and ask questions or buy, are seldom the elaborate, ex-

pensive things. Simple presentations usually won the most interest. Occasionally an expensive display would attract but it could be depended upon to give the impression of simplicity in its assembled form.

A list of the basic display features which drew the most attention and sold the products of manufacturers may amuse and, at the same time, startle you out of the sophistication that a surfeit of advertising gags may have engendered:

1. Maps of any kind.
 2. Flowing or falling water.
 3. Foliage.
 4. Seats for the weary.
 5. Free samples or booklets, anything free, even weight.
 6. Food sold at reasonable prices.
 7. Novelty merchandise, canes, glass jewelry, etc.
 8. Old-fashioned county fair ballyhoo.
 9. Simple miniatures, electric trains and boats.
 10. Practical home demonstrations.
 11. Travel, resorts, foreign exhibits.
- (Continued on page 238)

BY R. B. DONNELLY

[222]

PULLING POWER



Great electric locomotives, nearly 100 feet long, weighing more than 715,000 pounds, and driven by eight powerful motors each, regularly haul 100-car freight trains over the stiff grades of the Northern Pacific Railway. PULLING POWER developed to the nth degree.

To the newspaper advertiser PULLING POWER has a different meaning. To him it means the ability of a newspaper to carry his advertising message to a great number of families who are able to buy and who will buy his merchandise.

In Los Angeles one Daily Newspaper stands away above all others in this respect. The Evening Herald and Express, with a total circulation of 264,048 Daily—concentrated 95% in the Los Angeles City and Suburban area—offers a power to develop business for the advertiser unequalled by any other daily paper in the entire West.

This newspaper—by far the largest in circulation of all the daily papers on the Pacific Coast—also carries more Display Advertising for More advertisers—both Local and National—than any other 6-day newspaper in the West.

Shrewd and experienced advertisers generally concede that:

Any Schedule Designed to Cover Los Angeles Should Begin With The

LOS ANGELES EVENING
HERALD AND Express

NATIONAL REPRESENTATIVES

PAUL BLOCK AND ASSOCIATES

NEW YORK

CHICAGO

BOSTON

LOS ANGELES

DETROIT

SAN FRANCISCO

PHILADELPHIA

Rex's Record-Breaking Run Swings Ocean Travel South, to Italy

UNDER the auspices of that intrepid promoter, Benito Mussolini, and under the stimulus of the fastest speed across the Atlantic, of gyro-stabilized transportation and a soothing passage on the Gulf Stream, the Italian Line is building a new Main Street to Europe.

At the head of the street, as the new jumping-off place to all Europe, Northern Africa and the Near East, is Columbus' old birthplace, Genoa.

Instead of landing in Southampton, Cherbourg or Bremen, an increasing number of passengers now are seeing Italy first. Before, when they saw Italy at all, the most of them did so only at the end of their journeys, when they were too tired to see and too poor to spend. Now Signor Mussolini has arranged for them to do their seeing and spending first in Italy. Though some of the vessels touch en route at Great Britain's Gibraltar and France's Cannes, Genoa is the principal port of debarkation. In addition, the line runs regular service to Naples and to Trieste, in the old Italia Irredenta, to cover both sides of the "boot" from top to sole, and tells of fast plane and train services connecting Genoa and other cities.

Italy's Challenge

The Italian Line represents Italy's organized challenge of the dominance in trans-Atlantic passenger traffic in the last couple of years of the North German Lloyd, through the achievements of its Bremen and Europa, and the strong positions long held by the Cunard and White Star Lines of Britain and the French Line. Representing a combination of the Navagazione Generale Italiana, the Cosulich and Lloyd Sabaudo companies, it is aimed primarily at the North German Lloyd. The Rex, flagship of the line, and the Conte di Savoia were created to wrest the trans-Atlantic speed records from the Bremen and the Europa. Almost identical in weight, at about 51,000 tons, all four rank among the eight largest vessels afloat.

When the Europa established a record for the western crossing, and the Bremen for the eastern, these vessels were able to carry 1,200 or more passengers almost on every sailing. White Star's great Majestic and other

liners found lean pickings. So did Cunard's Berengaria—while its Mauretania, for many years the fastest passenger ship afloat, was turned over to "cruises." Usually, the only passengers these and other lines received were from people of their own na-

tionality. Even many of these, like most Americans, were concerned chiefly with the "newest" and "fastest." Thus, when Captain Francesco Tarabotto brought the Rex past Ambrose lightship at the entrance to New York harbor on August 16, exactly four days, 13 hours and 58 minutes after leaving the Port of Gibraltar—averaging a knot an hour faster than the record of the Europa, or nearly 33 miles an hour for the 3,181 miles—all Italy roared "Viva!" It appealed to their patriotism and to their sporting sense almost as much as the just-completed flight of Balbo and his armada of planes from Orbetello to Chicago or Italy's 421-mile-an-hour airplane speed record. But Signor Mussolini and his people having become very practical under Fascism, it appealed to their commercial sense even more. The Americans were coming to spend in Italy, first!

Down at 1 State Street, in New York City, Angelo Lauria, advertising manager of the line, hurriedly com-

pleted for New York newspapers of the next morning a large advertisement on the capture of the mythical "blue ribbon of the Atlantic." This pointed out that already the Italian Line, in the first six months of 1933, had carried the largest number of passengers under one house-flag, as well as the largest on a single sailing. (This, Mr. Lauria explained to SALES MANAGEMENT, did not mean that the business of the line was larger in this period than in the same period of 1932. Actually, it was 10 per cent less. But the other lines were down an average of 30 to 40.)

Since the introduction of the Rex (heretofore the principal thing the Italian Line had said of her was the "largest air-conditioned dining salon afloat") and of the gyro-stabilized Conte di Savoia, Mr. Lauria added, 90 per cent of the Italian Line's first-class passengers, and 70 per cent of the third-class, have been Americans. The line has mentioned also that these two vessels have the "largest outdoor tiled pools afloat," and that they, as well as the older Augustus, Roma, Conte Grande, Saturnia and Vulcano, follow the "mild Southern route to Europe."

Point-of-Sale Advertising

Incidentally, Mr. Lauria mentioned that until the record-breaking run of the Rex the Savoia had been the most popular of the group, due to the gyro-stabilizers.

In addition to general newspapers in New York, the line also uses Italian-language newspapers. Its principal advertising efforts probably are at point of sale. Mr. Lauria showed the reporter an elaborate book, off the press, providentially, just as the Rex came into port, 25,000 copies of which are being issued for distribution by 3,500 agents throughout the country. And two days after the arrival, an impressive poster, showing Captain Tarabotto all-bound-round with blue ribbon, was ready for the eager eyes of a news- and speed- and travel-hungry populace.

Among advertising expenditures there should not be ignored the \$21,000 paid for nearly 5,000 tons of oil consumed by the Rex during the run, which was about one-third more than her usual average, when she loafed along at 26 knots.



Cosmo-Sileo Photo
Promoter Tarabotto



**NOW...
or maybe
NEVER**

The wheel of business is poised on the very edge of the rut, ready to roll forward . . . or back into the mire. The vital, extra pressure must be applied TODAY . . . tomorrow may be too late.

Use, to the utmost, those sales forces which offer not alone a great volume of potential buyers, but also the greatest assurance of response as proved through many years.

NEW YORK JOURNAL

**The BEST READ evening paper
in the Essential 600,000 Homes**

NATIONALLY REPRESENTED BY RODNEY E. BOONE ORGANIZATION





Fair Crowds See Tests; Learn Value of Laboratory Endorsement

BY actually conducting tests on its clients' products before the visitors to the Home-Planning Hall at the Century of Progress Exposition in Chicago, the Pittsburgh Testing Laboratory is "selling" Mr. and Mrs. John Consumer on the value and importance of the fact-finding it performs for the makers of products these consumers may buy.

The Pittsburgh Testing Laboratory's exhibit not only consists of actual tests under way, but also of dioramas illustrative of other tests and investigations. One exhibit shows a group of painted wooden panels in a Weatherometer to determine the effects of light, heat and moisture upon the paint on the panels, and is being conducted for the Pittsburgh Plate Glass Company. Another test is a carpet wear test to determine the influence of Ozite Cushion in reducing the wear of carpets. Testing of Ozite is further dramatized by having the public walk on carpet, half with and half without Ozite cushioning.

The more important Ozite test is the one made by the "Robot Lady." All day long this tireless damsels walks . . . and walks . . . and walks. Her steel-shod mechanical feet tramp away at the rate of 140 steps a minute, 8,400 steps an hour—or 48 miles every twelve hours. Thus the wearing of years is crowded into a few days' time.

First Miss Robot does her tramping on a strip of carpet without Ozite, on a bare floor plate. In a short time the nap begins to flatten, wear down, and finally it is ground down to the backing. The number of steps is mechanically counted and noted.

Next the Robot Lady attempts to wear out a sample of the same carpet laid over Ozite. The comparative results are not yet available, but a similar test recently conducted by Delineator Institute showed that 225,



Her steel-shod feet crowd years of wear into a few days, proving dramatically and scientifically Ozite's contention that the product lengthens the life of rugs.

000 blows wore out the rug laid on the bare floor, while it took 700,000 blows to wear out the rug laid over Ozite. In other words, Ozite more than tripled the life of the rug.

For the Hoover Company Pittsburgh Testing Laboratory is making nightly comparative tests of almost every known make of vacuum cleaner. (See photo left.)

Fire Is Most "Popular" Business Insurance

"One of the first conclusive surveys of buying habits ever made in property insurance" has been completed by *Management Methods*, a McGraw-Hill publication, in an analysis of replies from 1,679 business concerns in 17 large, small and medium-sized cities.

Fire insurance was listed as being "ordinarily carried" by 98 per cent of the companies, followed by employers' liability, 90 per cent; public liability, 83; auto and truck, 71; fidelity, 53; elevator, 52; surety, 49; group, 48; explosion, 42; criminal, 22; transportation, 21; riot and strike, 9; sprinkler leakage, 7; breakage, 6; windstorm, 5.

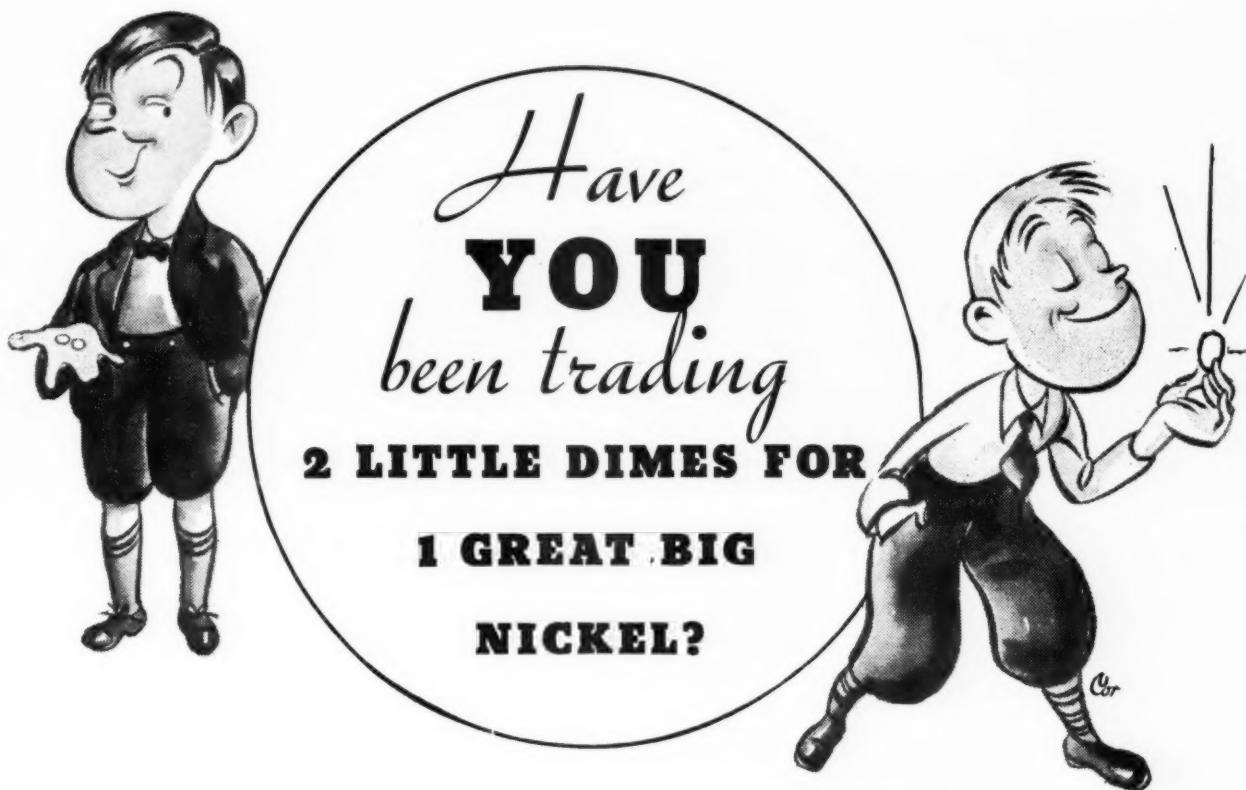
One executive was found to be "actively concerned" in placing his company's insurance in 63 per cent of the replies, two in 24, and three or more in 13.

Among the 63 per cent where insurance is placed by one executive, treasurers were responsible in 53 per cent of this group, controllers in 12, assistant treasurers in 8, secretary-treasurers 7, auditors 6, secretaries 5, presidents 4, and five other executives 2 or less. These percentages, *Management Methods* explains, also hold true where more than one executive buys the insurance.

Seventy per cent of the companies have "effected savings" by reducing the face value of policies in the last three years; 37 per cent by reducing premiums by switching to other types of carriers; and 48 per cent by installation of protective devices and service, such as sprinklers, fire doors and watchmen.

Treble Prune Program

Concentrating primarily on the large eastern and middle western markets, the United Prune Growers of California, San Francisco, have virtually trebled their advertising appropriation for this fall and winter, reports Harry C. Dunlap, chairman of the advertising committee. Newspapers, national and farm magazines, posters, point-of-sale material, diet articles and prune recipes will be used, beginning in September.



Junior came home pretty pleased with himself. He found a sucker this afternoon. The boy next door had a great, big, shiny nickel. Junior yearned for that nickel like nobody's business. So he turned his bank upside down. He shook it and out popped a couple of dingy, old dimes. Back to the house next door in a hurry! Would the little boy trade his nickel for two little dimes? The little boy would! So Junior closed a deal!

• • • • •

Some advertisers buy Chicago newspaper space on much the same basis. There's a morning newspaper in town that's bigger than ours. But don't be dazzled by size. You pay for it. Beyond a certain point it costs you more than it's worth. And to pour all your money into a PART of the market is surely bad business.

Every great national advertiser has a tremendous cash investment among the hundreds of thousands of families who read our newspaper every morning.

These families have been reading your magazine advertisements. They have listened to your radio programs. They have developed an acceptance—perhaps a preference—for your product. But when they come right to the point of sale, you lose them. For they will never see your advertisements in the morning, unless they read them in The Herald and Examiner.

CHICAGO HERALD AND EXAMINER

National Advertising Representatives

PAUL BLOCK AND ASSOCIATES

New York
Chicago

Boston
Detroit
Philadelphia

Los Angeles
San Francisco

"Bread and Butter" Plan Book Multiplies Coupons 19 Times

(Continued from page 206)

Then, beginning in June, Royal made a brand new offer—probably a more personally helpful offer as far as the writers were concerned. It was a manual of fiction writing, prepared especially for the Royal company. It told how to type and to write the short story, the novel and four other fiction forms. Instead of being offered for nothing, this little book cost each coupon-sender 25 cents.

Yet from the June issue, Mr. Metzger told SM, 330 coupons were received. From the July, with returns still coming in, the total is 273. Twelve of the July coupons asked for the name of the nearest Royal Signet dealer. These twelve, Mr. Metzger believes, have been turned into sales, as have many of the other 491. (The price of the Senior Signet is \$37.)

Royal's full pages in the *Writer's Digest* cost \$117 apiece. Thus the number of quarters already received from the writers have paid for more than half of the cost of these two insertions. Circulation of the *Digest* is about 40,000.

What Makes Copy Pull?

Though, perhaps, everyone who writes anything at all should use a typewriter, the Royal company is careful to choose the lines of least resistance in its choice of media. The *Gregg Writer*, for shorthand and typing students, and the *Scholastic Magazine*, it was pointed out, are more productive of coupons and sales, per thousand circulation, than more widely known publications. Royal uses *Popular Science*, to attract "experimentally minded" people, and has pulled as many as 1,400 coupons from an issue, on a trade-in offer.

Even so, the fact that December last was the record December in sales in the company's history was attributed by Mr. Metzger largely to the use of a full page in the *Comic Weekly* (6,000,000 circulation). This page brought 3,300 coupons, about 30 per cent of which were turned into sales. The W. A. Ryan sales organization in the New York territory converted 900 coupons into 500 sales. "This page—the first full page ever taken by a typewriter company in a publication of such wide circulation," Mr. Metzger explained, "also was a lot of value in building prestige."

"Equally important are the methods we employed to get the dealers to

advertise effectively. We try to give dealers mats and electros that will cover a given situation. Advertising is only a form of salesmanship. More potent salesmanship is needed now than a few years ago. A mere exhibition of the product, its name and its price is no longer of any worth in advertising. The customer immediately says, 'Why should I buy this thing?' Then the ad must have an answer ready. In our field, we have found, this answer may be one of the following things:

1. A reason why it will profit the man, woman or child to have a typewriter;
2. An exceptionally low price, such as on machines of the Signet class;
3. A very low down-payment or a low weekly payment to make it easy to purchase;
4. Something free with the typewriter, such as our Lipman touch system offer;
5. Something to make the customer want to act, like a short-time offer;
6. A coupon requesting a booklet, a demonstration, a trial, a commission, etc.

108 Sales in 30 Days

"The 'easy payment' plan was advertised by Hecht's department store, on Fourteenth Street, New York, in one two-column by seven-inch insertion in the *New York Daily News*. It cost \$102. The coupon merely asked for a demonstration. The \$3 deposit and 75-cents-a-week rate proved so attractive that the ad brought in 500 coupons and 40 sales.

The Ludwig Baumann store group in New York saw it, and essayed a similar ad. Two insertions produced 108 sales in 30 days.

"Royal's objective this year is '55 in '33,'" Mr. Metzger explained. "When we planned our 1933 sales and advertising program we told our salesmen and dealers that Royal intended to be doing 55 per cent of all the business by the end of the year. Of course, we realized that in doing this we were reaching for the moon. But we believe it pays to aim high, and to work hard to attain it. Already we have increased our share of the total typewriter business this year from less than 25 per cent to more than 30."

Wanted: Salesmanship for the Railroads

(Continued from page 216)

Let us look at the railroad passenger traffic records for a moment. The peak year was 1920, when 1,234,862,048 passengers were carried for a total of \$1,288,503,573 of revenue. Since then the decline has been steady, until in 1932 the roads were carrying only 47 per cent of the 1920 number, actually fewer passengers than were carried in 1890. Total revenue last year amounted to but \$377,095,350, or 29 per cent of the 1920 figure.

Thus not only did the railroads sell less than half as much transportation in 1932, but they got 18 per cent less money for what they did sell through having been forced to offer more and more excursions—or, in plainer English, through having been forced to cut a price which was utterly out of line with the times.

The Lesson of Scrip Books

As the months rolled around after the Fall of 1929, the 3.6-cents-per-mile rate became more and more out of tune with purchasing power. The result was that the rate of decline in business was progressively accelerated—amounting to 43 per cent (from 1920) in 1930, 51 per cent in 1931, and 61 per cent in 1932.

When scrip books at 2.7 cents were introduced in the West for the use of quantity mileage users last February (after a vigorous campaign on the part of this magazine), they enjoyed a handsome sale. In fact, they sold so well that one group of officials in the Western Passenger Association tried to sell the other roads in the same group the idea that perhaps all fares ought to be cut to 2 cents for coach passengers and 3 cents without surcharge for Pullman passengers. But no agreement could be reached. Eastern lines, approached on the same subject, were cold. Then when the pall of the depression began to lift ever so slightly and there came an accompanying slight increase in railroad business, the standpatters' hopes were renewed that the public, overjoyed at the rainbows and olive branches, would just forget that a 3.6 cents rate was exorbitant.

Meanwhile the enterprising little L. & N. in the South had been trying out 2-cent fares in its territory. Other railroad men, watching with keen interest, began to wonder. Then in late July the Great Northern took the initiative up North and inaugurated 2-cent fares for coach passengers.

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Sunkist Film Moves Quantities of Fruit for Growers Exchange

(Continued from page 218)

service man are dramatized with character and dialogue.

Reel Three is primarily designed for independent retailers interested in building up their fruit and vegetable trade. It instructs them in the better methods of display merchandising and the proper pricing of fruit in quantity lots.

Reel Four provides a tour to the leading markets in the United States. Starting in Boston, the tour extends to New York, Chicago, Kansas City, Houston and Los Angeles. This reel shows the exterior and interior differences in store arrangement as adopted by these sectional groups, as well as the various merchandising methods they employ. The latter part of this reel is devoted to the Sunkist national advertising campaign and shows, in progressive steps, the methods used to expand the demand for citrus fruits.

Reels Five and Six are alternate reels to replace Reel Three when shown to chain store and soda fountain groups.

Reel Five, the chain store reel, tells practically the same story as told to the independent grocer, with the addition of Sunkist's Group Store Sales Plan. This plan shows figures on five test windows before authorization is asked to place similar windows in the entire group of stores.

Help for Soda Fountains

Reel Six shows the successful operating of an average-sized drug store fountain and the profits received from the sale of fresh fruit drinks. Startling profit figures from other major fountain items, as reported by the United States Department of Commerce Drug Store Survey at St. Louis, are given.

This portion of the picture condenses the results of a year's study in the field of fountain operation and gives the fountain operator a quick idea of the major findings of these two outstanding surveys on fountain profits.

The following are but a few examples of successful sales which were introduced by meetings of the personnel of chain and independent stores. In all instances "A Partnership for Profit" played an important part in building enthusiasm for the event.

Logan Brothers' grocery chain, with headquarters in Bridgeport, Connecticut, more than doubled their volume

of Sunkist oranges. Their 135 stores sold 1,510 boxes of Sunkist oranges in ten days. This is the equivalent of 3½ cars of oranges.

Before the inauguration of the sale a meeting was held with the executives and store supervisors in order to acquaint them with the details. A private showing of our "Partnership for Profit" film was arranged and the management was much impressed with the merchandising ideas depicted.

This enterprising chain recognized in this picture sufficient educational value to warrant calling their managers and clerks in to central points to see it. Three sectional meetings were held.

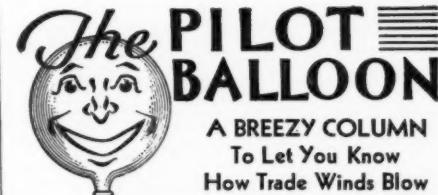
32,000 Lemon-Orange Drinks

The success of this sale has convinced Logan Brothers of the value of meetings, especially where films such as ours are available, and it has also firmly established for them the value of featuring periodical sales of profitable leader items such as Sunkist oranges and lemons.

Another example of the influence of the soda fountain version of the "Partnership for Profit" film was the increase in sale which resulted from special meetings and film showings with the Cunningham drug chain of Detroit. This chain sold 32,000 Sunkist Lemon-Orange juice drinks during a special drive which was conducted between the dates of May 20 and June 3. Their actual box sale during the concentration amounted to 256 boxes of oranges and 45 boxes of lemons.

The effectiveness of the film was again proved during a special Sunkist sale with the Larkin Stores Company, of Buffalo, New York. Four meetings of the store personnel were held the week before the sale, and as a result they increased their orange volume from a previous weekly average of 246 boxes to 1,203 boxes during the sale period.

The production and exhibition of a film of this type naturally involves a considerable outlay. We feel that we are fortunate in having the nationwide production and service facilities of Castle Films for a project of this kind, particularly because they have served the Sunkist account continuously for eleven years and therefore have an intimate knowledge of every phase of our operation and sales objectives.



Conducted by Tom Tell

HUMPTY DUMPTY BALLOONS FOR MAGIC CHEESE CHIPS

HERE is a sturdier Humpty Dumpty than the unfortunate one in the nursery rhyme. Tossed into the air, he lands on his feet, smiling and unbroken. He, and a million more like him, are to be given away in a new sales promotion campaign for the benefit of Magic Cheese Chips. Confidence in the sturdy quality of the "Oak Brand" balloons being used is expressed in directions accompanying Humpty Dumpty, in which we read the challenge to "just try to break me". Each balloon carries an ad for Magic Cheese Chips on the opposite side from the happy face.

Adaptable

ONE of the most desirable features of toy balloons for sales promotion is the fact that they lend themselves so effectively to reproducing popular story-book, or trade characters.

Inflation!

SOTTISSUE gave people a chance to do some inflating of their own, when they distributed nearly 50,000 of the Oak Rubber Company's "Hy-Tex" balloons in a "pre-inflation sale" of this forcefully advertised line.



Highlights About Hy-Tex

HY-TEX balloons, made by a new, patented process, test 50% higher in tensile strength than some of the very best balloons made by old-time methods. Fact! Over 4300 pounds per square inch for Hy-Tex; less than 2800 p.p.s.i. for the next best. Here's why. Hy-Tex balloons are made from virgin liquid latex, or "milk" of the rubber tree. The old process requires dried, "milled" rubber — and milling partially destroys the natural fibre and toughness of rubber. Hy-Tex costs no more.

Go! Going! Gone!

WHEN you are burdened with a product which does not move, to give balloons is the sure way to make sales improve.

Ready to Respond with Results

THE incidents above indicate the merit of toy balloons in sales promotion. You can get complete information, and valuable ideas for increasing your sales by discussing the matter with *The Oak Rubber Company, 210 S. Sycamore St., Ravenna, Ohio.*

Sales Letters

BY MAXWELL DROKE

When the Prospect Asks for Something Cheaper

In my younger years I was employed for a time as a clerk and general errand boy in the retail hardware emporium of a shrewd Canadian named Jack Quigley. That austere gentleman caught me one morning in the act of apologizing humbly to a prospective patron for the fact that we did not carry a certain line in stock. Subsequently, he impressed upon me that the one unpardonable sin of retailing was to permit a customer to go out of the store empty-handed. "Your job," my employer reminded me, "is to sell the merchandise we have in stock; not to apologize for goods we haven't got."

There is much to be said for the Quigley school of philosophy, and I was minded of my early reprimand the other day when I read a letter which one of my correspondents sent me to criticise. Here is the missive:

"Thank you for your recent letter, but it is to be regretted that we are not in a position to quote you on second surgeons' gloves for the reason that it is opposed to our policy of not selling second gloves for hospital use.

"This may be a foolish idea of ours, but we are seeing it through on the premise that it is even more dangerous for an operating room to supply a second glove than it is to use a rejected thermometer, a hypospasmic that is incorrectly calibrated, or a catgut the sterility of which is questioned.

"We will admit that we are losing quite a bit of business on account of this attitude, but we think it is better to sacrifice it rather than sell a second glove which may prove disastrous to the patient or to the surgeon through infection caused by the glove breaking down.

"I realize, Doctor, that what the hospital wants is second gloves, and this letter is a poor substitute; but it is to be hoped that we may be able to get together on some of the other items you may find yourself interested in from time to time."

Despite the fact that this letter is rather awkward in construction, it is, on the whole, a straightforward presentation of the company's position. Its weakness lies in the fact that it is apologetic where it should have been strongly assertive. No effort whatever is made to sell the first-quality article. The obvious move here was to quote a price on the perfect product; to dwell upon the guarantee and assurance of satisfaction; to contrast the evident risks against the possible "saving" of a few cents per unit, and to express confidence that, after thoughtful consideration, an institution of the character of



Maxwell Droke

Standing Invitation

Mr. Droke is always glad to criticize sales letters and direct mail messages for our subscribers. There is no cost or obligation for this service. Address him in care of SALES MANAGEMENT, enclosing a stamped, addressed envelope.

Blank Hospital would not be content with anything less than the best and safest product available.

The Light Touch to a Heavy Sales Message

D. M. Bell, of the Albany (New York) Chamber of Commerce sends me this letter, addressed to sundry corporations, suspected of being in quest of a new home. I'd very much like to know what you think of it:

"If you are distributing from New York, Boston, or Philadelphia, half your market is Atlantic Ocean.

"In Albany you would have all the advantages of a seaport, and the other half of your market would be people and not fish.

"Why not write for particulars?

"Yours very truly,

Well, sir, that little letter went out and brought back approximately 90 per cent response. Mr. Bell was quite dumbfounded. These very executives, who eagerly wrote in for "particulars" had time and again proved immune to long, ponderous and informative dissertations on the industrial advantages of Albany. Why had they fallen at last for what the writer himself characterizes as "a foolish little letter?" An interesting psychological study, isn't it? And what is *your* opinion?

This Letter Pulled 45% Return From Sales Executives

And while we are on the subject of remarkable returns, comes now Mr. H. I. Cramer, of the Contest Development Department of A. Cappel & Sons, Dayton, Ohio, with a contribution that demands immediate respect. "Some two weeks ago," Mr. Cramer writes me, "I sent out 240 of the following letter. To date we have received 108 requests for the booklet, and they are still coming in!" A record to be proud of, indeed! And here is the letter:

"On or about July 20 we will have available for distribution a limited quantity of a booklet entitled, "Successful Merchandise Prize Contests."

"This will illustrate announcements and follow-up pieces of many business-producing contests used in 1932 by some of our clients.

"If you desire a copy of this interesting booklet, please sign the enclosed card, and we will reserve your copy.

"No charge for this, of course.

"Very truly yours,"

To analyze this letter and determine a reason for its unusual success is not a complex undertaking. To begin with, of course, the proposition is basically interesting to the persons addressed. That is a prime point. But even so, the writer might easily have thrown away his advantage and turned out a letter of mediocre pulling power. It has been done, you know.

Mr. Cramer showed uncommon good sense in the fact that he did not begin his letter with "an attention-arresting phrase," nor did he drag in an anecdote from Joe Miller's collection in order to "get off to a good start." He knew that what he had to offer was of more interest to the reader than any camouflage he was likely to concoct, so he went right ahead and said his say, in the first paragraph. In the second paragraph he went on to tell what was in the book, and to make clear that it was not a theoretical presentation but a work based on the successful experience of practical merchandisers. A third paragraph is given over to answering the essential question: "How can we get a copy?" And, as a final clincher, there is that important assurance to the wary, "No charge for this, of course."

It is neither a brilliant nor a clever letter. And it has no business to be. It is a missive well conceived and admirably executed for the purpose at hand.

Meets Wild Competitive Claims with Barbed Humor

For reasons which I think will be obvious to the peruser of general publications, I was delighted to find this burlesque advertisement in the current issue of *Gusherville News*, that remarkable publication edited by "Pete Roleum" and issued by Vickers Petroleum Company:

*The World's Greatest Gasoline
BUNK GASOLINE*

A few claims which we make are as follows:

1. No other gasoline will run a motor.
2. Takes out all knocks in car and cures rheumatism of occupants.
3. Eliminates squeaks and rattles. Tightens fenders.
4. Runs motor so cool no radiator water is needed.
5. Very economical. Costs no more. One fill lasts lifetime.
6. It is made to order for each township.
7. Test is so high that Wiley Post goes up in his Winnie Mae to read hydrometer.
8. Gasoline contains electric energy, thereby lighting car and eliminating battery.
9. Loud speaker connected to exhaust will give both long and short wave-length radio reception.
10. Modesty forbids mentioning many other advantages.

ANANIAS REFINING COMPANY
U. S. A.

Finds Radio Requests Poor Measure of Pull

(Continued from page 209)

two territories where it has been broadcast. We know from our sales curve that it does increase sales. But if we depended upon comparative returns in the form of requests for our premiums, we probably would have discontinued it in some territories where we know it has been most effective."

Loath to reveal sales figures, Mr. Kane described the increase as "appreciable and chartable."

Said he, anent the matter of increases: "In one territory where we were about to introduce the program we called on a large chain operator, told him the news, and asked him to be prepared by putting in an adequate stock of Iodent. He was skeptical and gave us only the usual order. During the first twelve days of broadcasting in his territory we received three long-distance telephone orders from that chain, totaling more than it had bought of us in the previous sixty days.

Premium Involves Purchase

"But, speaking of requests, we put this program on in two widely separated territories on the same date. Since then requests for premiums from one territory have been about three and one-half times as numerous as from the other. In which territory would you guess our sales have increased the most? You are wrong; our sales in the territory from which we have received comparatively few requests for give-aways have increased 20 per cent more than in the other, which produces three and one-half times as many requests.

"In another territory where we have been broadcasting regularly results since the first of the year, as measured by empty cartons returned, haven't been enough to pay for one week's broadcasting there. Yet our sales in that territory during the same period have increased 17 per cent.

"Here's another peculiar circumstance. In connection with our current program we have been giving away—at different times—a detective cap, badge and gun. We had the gun made to our order and in view of the well-known fact that all boys like to play with toy pistols, we anticipated that the gun would be by far the most popular of the three articles. Instead, it has been the least popular, judged by the comparative number of requests for the three."

Listeners must send in an empty carton in order to get one of the

Iodent give-aways. In practically every territory, Mr. Kane said, the sales increase has been larger than might have been expected from the number of cartons returned. Mr. Kane doesn't approve of offering samples or give-aways without requiring the listener to make a purchase, as he believes such offers are frequently abused and are highly expensive to the advertiser.

The present Iodent program was introduced October 24, 1932, over a group of five stations. Others have since been added at intervals until the number is now twenty-two, providing "coast-to-coast" coverage.

In introducing the radio program in a new territory and when changing

the give-away, Iodent runs small announcement ads (usually one column, three and one-half to five inches) in the local newspapers, and in some cases uses billboards also. As such advertising is used only at irregular intervals and on special occasions, no comparison of the effectiveness of radio with and without such a tie-up is practical.

The company has a national showing of street-car cards and bus cards, and in cities where the radio program is heard these cards call attention to it. A further tie-up is made at the point of purchase by supplying dealers with window and interior display material to advertise the radio program and the available give-aways.

MODERN BREWERY

WITH WHICH IS CONSOLIDATED

Brewer's Art

When one magazine
out of a dozen serving
the same field has more
exclusive accounts than
all others put together...

there's a reason

(A-8603)

PRICE 4

205 E. 42nd St., New York City • 333 N. Michigan Ave., Chicago

THE NATIONAL BREWERY MAGAZINE

Media and Agencies

Century of the Sun

"The object of this paper is to lay before the public, at a price within the means of everyone, all the news of every day, and at the same time afford an advantageous medium of advertising."

Thus wrote one Benj. H. Day, printer, at the top of the first column first page of a new four-page paper (9 by 12 inches) called the *Sun*, in introducing it, on September 3, 1833, to New York's 250,000.

The advertisements in that issue, however—of steamboat passage to Albany or Hartford for \$1, sailing ship service to London, Havre or New Orleans, auctions and domestic wants—were lifted largely by the new penny "people's paper" from its more austere 6-cent rivals.

Last year, as for several years before, the *Sun* led all its competitors in the New York evening field by a wide margin on total advertising, led all the newspapers in the country, AM and PM, in department store advertising, and led all the six-day evening papers in the country in display and in retail advertising.

And yet Charles A. Dana, editor of the *Sun* for a longer period than any of the eight or ten who have ruled it in this century, dreamed of a newspaper without advertisements. "He believed," as Frank O'Brien, present editor, once said, "that by getting all the news, condensing it into the smallest readable space, and adding such literary matter as the reader's tastes demanded, a four-page paper might be produced with a reasonable profit from the sales, after paper and ink, men and machinery, had been paid for."

If Dana had seen the *Sun* toward the end of the last decade, often running 64 pages an issue, with a couple hundred words of news copy in the upper left-hand corner of many pages all-bound-round by advertisements, he might not have been pleased. Under the Frank A. Munsey and William T. Dewart regimes (Mr. Dewart being the present president), Dana's crusader, which had dared to expose a dozen scandals in the administrations of that popular idol, U. S. Grant, and had fought Hayes and Cleveland and Blaine—has been turned into a bazaar. Three hundred thousand of the stabler citizens of Greater New York read it every afternoon, without fear of muckraking.

The *Sun* is, in fact, as *Times*-ish as the *Times* itself in its presentation of the news, but less inclined to print all the news that's fit to print. Its principal news is addressed to housewives, by the advertisers.

However, the *Sun* is still very proud of the literary—if not the crusading—qualities of its editorial page. The veteran, Robert H. Davis, has a lot of friends interested in his recollections, Harold Anderson's editorial, in May, 1927, "Lindbergh Flies Alone," appealed to the popular imagination, and every Christmas the *Sun* sends out a few thousand reprints of Francis P. Church's reply to a question 36 years ago of a certain little Virginia O'Hanlon: "Is There a Santa Claus?"

Indeed, Virginia, if the *Sun*'s ability to prosper consistently through this parlous century, under a variety of leaders and policies, is any indication, there must be

a Santa Claus. In 1935, 35,000 small tradesmen and workers bought the paper to read Richard Adams Locke's clever hoax about life on the moon (believing the findings real). Would they have believed a stranger story that a century later 300,000 families in a city of 7,000,000 people would regard the *Sun* as the exemplary organ of business and shopping news!

On September 2, in addition to a regular issue of 64 pages, the *Sun* will publish a centennial issue of 40. For the first section 166 columns of advertising had been signed by August 28, for the second, 240 columns.

Marriage

An enterprising salesman among advertising agency presidents, B. B. Geyer, of the Geyer Company, and a merchandising and idea president, Paul Cornell, have united their organizations and formed in



Geyer and Cornell

the process one of the larger agencies in the country, serving some 40 accounts—among them Frigidaire, National Cash registers, Delco appliances, Richfield oil (N. Y.) and Talon fasteners.

The eastern unit, at 580 Fifth Avenue, New York, becomes Geyer-Cornell Company, Inc., with Mr. Geyer as chairman, Mr. Cornell president. Mr. Geyer continues as president of the Dayton unit, which operates, as heretofore, under the Geyer name. Offices in other cities probably will be opened soon.

Mr. Cornell, somewhat philanthropically, conceived a campaign for Hardman, Peck & Company, pianos, a couple of years ago, on the theme, "Their hands shall not be idle." The hands in question were those of Hardman, Peck workers. For certain periods the company agreed to sell pianos at cost. A lot of people responded. Less philanthropically, of late, Mr. Cornell has been active in Richfield Oil "challenges."

Notable also has been the Geyer ability (the agency was founded by the late C. J. Geyer and his son, B. B., in 1912) to win renown for Frigidaire and a couple of other General Motors accounts.

Superproduction

Rumor has it that, about January 1, a new moving picture magazine will make its debut—with an A.T.D. circulation of 3,000,000 a month. Yes, this means controlled circulation by messenger service in selected residential districts. Clair Maxwell, publisher of *Life*, is said to be the prime official on the business side of the new enterprise.

Wider Circle

After eleven months of distribution to the customers of the Daniel Reeves and other grocery chain units in the East, the *Family Circle* magazine, New York City, will start this Fall with a circulation of more than 1,000,000—being distributed also through Safeway, MacMarr and Pay'n'Takit stores in the Far West and Southwest, First National in New England, American in the Middle Atlantic states, Sanitary stores in Washington-Baltimore-Richmond and vicinity, the Southern stores in Florida, and other chains yet to be announced.

The *Family Circle*, a weekly paper in rotogravure, is purchased by the stores for free distribution to customers. Harry Evans is editor; K. D. McAlpin, general manager; F. W. Nye, advertising director.

Meanwhile, the monthly *Delacorte Modern Magazines*, New York, sold through the Kresge, Kress, Grant, McLellan and other stores, as well as American News Company, will guarantee for its three papers, beginning with the January, 1934, issue, a net paid circulation of 1,050,000. Until October 1 page rate will be \$1,900.

Toothsome Campaign

In four column by 13-inch space weekly for thirteen recent weeks, a group of Dayton's ethical dentists have been telling, in the *Dayton Herald*, what happens when you neglect your teeth. Of 125 contacts with dentists, says Allen J. Yoder, national advertising manager of the *Herald* and *Journal* there, 50 were signed to support it.

Omaha Beer

Nebraska's April 7 arrived on August 10. It was not until that date that the sale of beer became legal there. But the brewers were no less promotional. Omaha's own brewery, the Storz, took a full page in the *Omaha Bee-News* to tell of its product and distributors, and 27 other advertisers ran separate insertions in that issue to congratulate Storz or Nebraska on the new era. Several breweries in other cities also ran pages or less.

Action Makeup

Dr. Daniel Starch rises to substantiate the belief of the *McCall's* people that the tri-partite makeup introduced by the magazine last October (embracing three distinct sections: romance, homemaking and style and beauty) causes advertising to be "seen more, read more, and that it moves the reader to a greater degree of action."

The quotes above are from Don Parsons, promotion manager of the *McCall* Company, New York.

"Under the traditional set-up 33.6 per cent of advertisements in *McCall's* had a visibility cost of less than a half-cent a reader," Dr. Starch finds, "under the new set-up 62.2 per cent have a visibility cost under this low figure." The periods studied were from April to September, inclusive, 1932, and from October, 1932, to March, 1933. Most notable progress is shown in the relative efficiency of half-page units, under the *McCall* plan of associating advertised products with related editorial content.

What Industry Can Do to Rationalize Prices

(Continued from page 209)

for an industry to tie its trade into the code. In such an event the predatory price-cutter automatically loses his recognition and thus goes out of business because no one is able to sell him.

The problem of unequalized freight rates and the havoc these cause in price-cutting suggests that some industries may find it advantageous to follow the lead of package goods manufacturers and sell freight prepaid. Against this, however, the traffic manager may argue that claims are better adjusted when the goods are shipped collect. The industry should try, however, at least to get freight equalization based on actual points of manufacture.

Cash Discount Problems

In the consideration of cash discounts and selling terms, each industry should look to the practices of others selling the same outlets. In the last few years many department stores have been chiseling to secure a 5 per cent discount. Manufacturers have even been invited to juggle their trade discounts to take care of this extra cash discount. Manufacturers must remember that once they have established their code in Washington, its provisions are likely to stay in effect for some time. This puts them at a disadvantage with the department store, which can easily realize upon fluctuations. Therefore, the industry had better take the department store attitude into consideration in the setting of discounts and selling terms.

The problem of trade-ins, exchanges and allowances must, of course, remain quite definitely peculiar to different industries. The NRA gives the automobile industry, for example, an excellent opportunity to solve the allowance problem once and for all. Judging by the profits dealers have made recently, the car purchaser has done a better job of bargaining than the car dealer. Now the automobile industry has an opportunity, if the government allows it to tie the trade into its code, to make the dealer adhere to the predetermined and published list of trade-in allowances. Other industries suffering from the trade-in allowance problem could obviously follow the same course.

In setting up a price structure, industry groups should remember that the simpler the price structure is the easier it will be to operate and the less need there will be for enforcement.

WHY THESE FOLKS ARE RESPONSIVE

The most important matter in one's life is his own personal problems. Unless you find a practical solution to them, your days are pretty hectic. No enjoyment. Nothing can be right until you right that personal problem.

Just what the personal problem happens to be is usually of no consequence to any but to you. But, how vitally necessary it is for you to secure a satisfactory answer to that personal problem. How you will respond to authoritative assistance which helps you discover a practical and proper solution.

Every month more than a quarter of a million folks read Physical Culture Magazine. Read it from cover to cover. Without fail. One reason why they do is because Physical Culture is "The Personal Problem Magazine." These quarter of a million readers know that they will find in its pages frank discussions of intimate problems concerning feminine hygiene, child care, preparation of food, family relationship and similar subjects dealing with every-day social and business life.

Take the September issue of Physical Culture Magazine. Its contents include: An article by Albert Edward Wiggam entitled: "Birth Selection is the name for it"; "The Problem of the Lonesome Woman"; "A Golf Widow Tells the Truth"; "My Quarreling Parents"; "Women Should be Tireless"; a study in human energy and how to have it. "The Psychology of Being 'Skinny'" by Milo Hastings, who has been said to know more about weight-control than any other writer, and "Let Your Child Stand on His Own Feet." All of them informative, authentic articles containing answers to common personal problems.

Regardless of what their personal problems may be, these more than a quarter of a million Physical Culture Magazine readers are aware that they can rely upon the editors of Physical Culture to answer them, either through the pages of the magazine, or by direct correspondence. For, in the thirty-five years that Physical Culture Magazine has been published, it has never failed a reader with his personal problem. And there have been thousands and thousands. Hundreds of letters dealing with personal problems are received by Editor Macfadden and his associates almost every day of the year.

Since Physical Culture Magazine is a cherished, practical adviser to its more than a quarter of a million readers, it has a responsive audience second to none in the entire magazine field. A genuine responsiveness that can be capitalized by any advertiser who can use to advantage a market of more than a quarter of a million substantial families. A market which incidentally is growing, for the newsstand sales of July and August issues of Physical Culture Magazine were up some 25%. Furthermore, you cannot reach or sell these more than a quarter of a million families in any way except through the pages of Physical Culture.

And what manufacturer today can afford to pass up more than a quarter of a million responsive customers!

John J. Flearter

90 Bright Spot Cities

Business Activity as Measured by Bank Debits

JULY marked the first aggressive push through the levels of 1932 business, with the nation as a whole 10.9 per cent better than the same month last year. The Administration's determination to put more purchasing power in the hands of the farmers seems to be working out, as all districts in the great Middle West and Southern states showed vigorous upturns. Minneapolis made the best showing of any Federal Reserve district—with a gain of 43.1 per cent, followed by Kansas City with a gain of 18.2, Atlanta 13, Chicago 12.5, Dallas 11.5. Boston made the best showing of any highly industrialized district, with a gain of 17.4.

In addition to the cities in the tabulation below where activity equaled or exceeded the national average, there is a large group where the level was higher than the same month last year, but where gains did not quite equal the national showing. Included

in this group: Springfield, Mass.; Buffalo, Rochester, Philadelphia, Cincinnati, Columbus, Richmond, Roanoke, Jacksonville, Tampa. Also Peoria, Milwaukee, St. Louis, Wichita, Omaha, Oklahoma City, Austin, El Paso, Ft. Worth, Galveston, San Antonio, Phoenix, Long Beach, Salt Lake City, Seattle and Tacoma.

Relative Standing is the relationship of the individual city for the current month, with the country as a whole. A figure of 120, for example, indicates that bank debits in a particular city were 20 per cent better than in the entire U. S. A. The trading area population figures are publishers' estimates.

The cities presented herewith are those which equal or exceed the national average. The complete list of 262 leading cities is available monthly at a subscription price of \$2.00 a year. Copies are sent by first-class mail on the 20th of each month. Ask for a sample copy. Address Statistical Department, SALES MANAGEMENT, New York.

BANK DEBITS (33 as of '32)											
	Trading Area Pop. (000 omitted)	Yr. to June %	Yr. to July %	Relative Date %	Standing		Trading Area Pop. (000 omitted)	Yr. to June %	Yr. to July %	Relative Date %	Standing
U. S. A. Average (excl.)	....	100.5	110.9	88.5	100	Chicago F. R. District	....	91.4	112.5	85.2	101
N. Y. C.)	....	116.6	117.4	90.7	106	Chicago, Ill.	4,532	100.1	130.8	93.6	118
Boston F. R. District	....	458	104.5	120.5	92.0	Decatur, Ill.	180	109.3	119.5	88.9	108
Hartford, Conn.	173	101.1	127.5	86.4	109	Rockford, Ill.	353	111.6	129.0	92.4	116
Waterbury, Conn.	32	98.9	124.0	94.8	112	Gary, Ind.	241	83.7	113.8	77.0	103
Bangor, Me.	2,855	123.0	118.4	92.3	107	Sioux City, Ia.	782	113.1	124.0	94.3	112
Boston, Mass.	210	104.8	111.6	88.4	101	Waterloo, Ia.	200	98.0	146.1	73.7	132
Brockton, Mass.	138	115.4	127.4	95.2	115	St. Louis F. R. District	....	99.9	109.8	90.1	99
Fall River, Mass.	100	99.3	114.5	84.2	103	Ft. Smith, Ark.	165	99.0	115.6	89.9	104
Holyoke, Mass.	154	117.5	129.3	95.5	117	Helena, Ark.	85	98.8	132.7	105.0	120
New Bedford, Mass.	174	96.8	114.7	90.0	103	Pine Bluff, Ark.	189	117.2	113.2	93.8	102
Manchester, N. H.	833	117.0	129.6	93.7	117	Evansville, Ind.	444	102.3	113.9	85.0	103
Providence, R. I.	....	....	....	....	100	Louisville, Ky.	708	112.0	113.3	98.2	102
New York F. R. District (excl.)	....	105.7	99.8	87.3	90	Greenville, Miss.	15	118.2	115.0	84.3	104
N. Y. C.)	450	117.8	142.3	97.5	128	Memphis, Tenn.	927	109.2	119.5	96.1	108
Philadelphia F. R. District	....	101.7	107.7	90.6	97	Minneapolis F. R. District	....	121.0	143.1	103.1	129
Wilmington, Del.	244	108.0	125.1	90.4	111	Duluth, Minn.	377	153.5	152.5	110.0	137
Harrisburg, Pa.	262	102.5	111.2	100.0	100	Minneapolis, Minn.	567	134.2	170.0	114.5	153
Cleveland F. R. District	....	98.9	101.9	84.3	91	Billings, Mont.	13	98.2	113.5	90.4	102
Lexington, Ky.	170	95.9	111.2	88.4	100	Helena, Mont.	22	102.7	112.6	99.1	101
Canton, O.	290	110.0	124.1	86.4	112	Dickinson, N. D.	....	123.7	120.0	82.4	108
Middletown, O.	51	121.6	127.4	93.7	115	Jamestown, N. D.	80	115.7	115.3	90.0	102
Steubenville, O.	150	93.1	112.0	80.9	101	Sioux Falls, S. D.	209	120.0	110.0	94.6	100
Toledo, O.	732	98.5	120.5	93.9	109	LaCrosse, Wis.	181	86.4	128.6	80.0	116
Warren, O.	607	127.1	133.3	100.0	120	Kansas City F. R. District	....	103.2	118.2	93.9	107
Youngstown, O.	300	102.7	130.1	83.1	117	Denver, Colo.	375	102.0	112.5	94.0	101
Zanesville, O.	130	92.7	116.6	75.7	105	Atchison, Kans.	26	106.0	140.7	94.8	127
Pittsburgh, Pa.	2,000	118.1	114.3	91.8	103	Independence, Kans.	40	81.0	118.7	52.5	107
Wheeling, W. Va.	170	109.2	120.8	95.3	109	Lawrence, Kans.	40	98.7	124.7	89.5	112
Richmond F. R. District	....	90.8	93.1	83.7	84	Topeka, Kans.	350	94.7	111.3	93.2	100
Asheville, N. C.	379	109.8	130.4	87.9	118	Joplin, Mo.	250	105.8	138.7	113.0	125
Charlotte, N. C.	650	117.2	142.2	100.6	128	Kansas City, Mo.	900	107.8	140.0	95.8	126
Durham, N. C.	250	139.0	148.2	116.4	134	Sr. Joseph, Mo.	306	124.7	125.8	91.2	113
Winston-Salem, N. C.	200	132.3	112.1	99.2	101	Bartlesville, Okla.	54	116.0	127.3	116.1	115
Greenville, S. C.	300	148.9	155.8	102.5	140	Enid, Okla.	190	145.7	131.2	103.7	118
Danville, Va.	160	110.7	138.4	96.2	125	Guthrie, Okla.	55	157.0	145.4	104.6	131
Lynchburg, Va.	160	101.6	116.3	90.8	105	Okmulgee, Okla.	140	111.5	127.3	95.5	115
Atlanta F. R. District	....	99.3	113.0	87.5	102	Dallas F. R. District	....	103.5	111.5	91.4	100
Dothan, Ala.	300	172.5	150.9	107.4	136	Shreveport, La.	509	120.9	113.3	90.2	102
Mobile, Ala.	288	100.9	113.5	85.9	102	Roswell, N. M.	35	133.2	115.4	101.7	104
Montgomery, Ala.	470	125.1	116.2	96.7	105	Abilene, Tex.	163	116.0	112.8	97.2	101
Miami, Fla.	164	126.8	123.2	94.7	111	Dallas, Tex.	831	104.6	116.1	92.0	105
Pensacola, Fla.	75	115.6	114.0	97.7	103	Houston, Tex.	539	107.5	112.6	98.2	101
Albany, Ga.	260	111.2	110.2	75.7	100	Waco, Tex.	275	108.7	122.4	91.5	110
Atlanta, Ga.	1,341	101.5	115.1	92.6	104	Wichita Falls, Tex.	239	112.1	115.2	92.4	104
Augusta, Ga.	387	116.6	140.8	94.1	127	San Francisco F. R. District	....	101.1	108.9	90.0	98
Columbus, Ga.	202	123.8	127.8	93.3	115	Los Angeles, Cal.	2,313	99.8	113.3	88.0	102
Macon, Ga.	500	110.7	131.5	93.0	119	Pasadena, Cal.	151	109.5	112.5	82.9	101
Newnan, Ga.	....	173.0	170.0	126.0	153	San Francisco, Cal.	1,631	104.1	111.4	93.1	100
Savannah, Ga.	372	109.8	121.4	89.7	109	Portland, Ore.	475	115.8	122.2	97.2	110
Valdosta, Ga.	16	92.3	119.3	87.0	108	Ogden, Utah.	65	114.0	120.2	97.8	108
New Orleans, La.	843	98.1	115.5	83.6	104						
Jackson, Miss.	324	110.8	125.8	101.3	113						
Meridian, Miss.	250	145.3	150.7	107.3	113						
Nashville, Tenn.	861	105.1	119.0	93.8	107						

Chart Rates "Success Chances" for Prospective Salesmen

(Continued from page 213)

with three points. If an applicant is, say, between 44 and 55 years of age, he is charged two points, or given a net of one point on this item. And so on down the list.

The "passing" grade was established at 16. When a general agent sends in to the home office one of these charts for every new man he wants to appoint (and he must do this) he must have some very definite compensating reason for asking approval of a man who does not rate a passing grade. Otherwise the home office will not sanction his appointment.

Plan Encourages Recruiting

"The use of this rating plan has done two things," Mr. Griswold said. "First, we find it usually makes a good impression on prospective agents—it shows the company is giving deep study to the type of men it takes on. And second, it encourages recruiting.

"When we introduced the plan at our meeting of general agents in January of 1932 they received it with great enthusiasm. All of them had found the job of selecting new men especially bothersome in the uncertain business conditions then current. All felt the need of some method of checking their own judgments. They used the chart willingly.

"During the first half of this current year we made a special effort to promote recruiting, even in the face of the knowledge that business was tough. For, especially in times like these, increases in business must come largely from new men, who often respond to these abnormal conditions more effectively than does the average so-called 'established' salesman.

"However, it is also true that during such a period there should be more good men available. Consequently it was to our interest to enlist additional man-power if it were done on a highly selective basis. The result was that there was more recruiting done by our general agents during the first six months of this year than at any other similar period in our history."

As to results: it must be borne in mind that figures are still inconclusive, as the company has, as yet, few true comparisons. It must also be remembered that the period covered by these first returns is hardly representative, inasmuch as it includes the absolute rock-bottom in business conditions.

But here's what has happened: out of 169 new men taken on, 128 rated 16 points or above. *The average production of these 128 was about three times that of the others*, the 41 men who rated less than 16.

Breaking the figures down further, it is curious to find that the group highest in average production was the one in which all men rated 19. The "20" group averaged three-fourths as well, with the "18's" close after. But 16 was ahead of 17. It is quite possible that these apparent discrepancies will iron themselves out over a period of, say, two years.

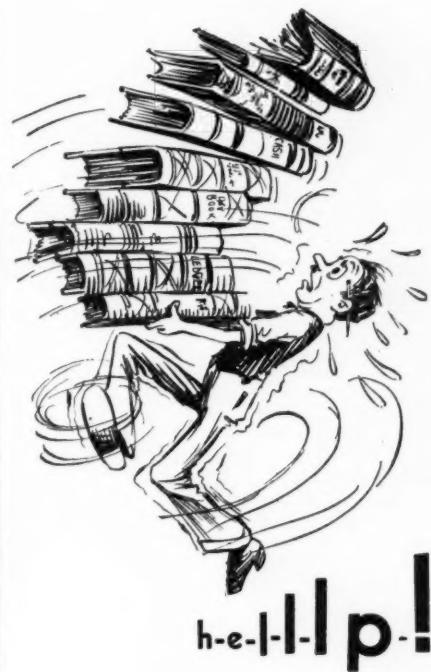
Eliminates Weak Sisters

In any case, the Guardian's "personal rating chart" seems to be proving a fairly accurate guide in separating the better from the poorer potential sales material. Of course, there is the probability that some good men are eliminated by such a system. (At the outset, in checking the point-system evolved against the actual case histories of a number of representative and established Guardian salesmen, the chart had been found to be better than 75 per cent accurate where the 16-point "passing-mark" was strictly adhered to. Allowing for the application of a certain amount of judgment to those cases where the score may fall below 16, even such accuracy probably represents a considerable improvement over the former comparatively haphazard methods of selection.)

On the other hand, there are the tremendous savings to be made through cutting down the number of men appointed who can't make the grade. Since it is estimated that it costs anywhere from \$300 to \$700 to induct a new man and put him on his feet, it is readily apparent that over a period of years such a system should pay handsomely, even if it did have to have charged against it the loss from elimination of a small group who might possibly have been turned into good producers.

New Sales Rep. Service

Gabriel H. Todes, Inc., has been formed at 415 Brainard Street, Detroit, to handle wholesale and retail sales of food and drug products. Activities at present are confined to Michigan, Indiana, Ohio and Illinois. In opening up new territories the Todes compensation is based on a definite percentage of sales instead of a retainer fee.



July was the second consecutive month in which classified Help Wanted advertising published in the Newark Evening News gained over the same month in 1932. The interpretation to business should be mighty encouraging.

For keener analysis let us go beyond the cold statement of fact. There were exactly 496 more individual ads published—each ad represented a job to be filled—496 more pay envelopes each week. Great, isn't it!

No wonder business in the Newark market is already reporting improvement. It's the influence of the additional pay envelopes—confined purchasing power released. As the nation's most industrially diversified city Newark naturally mirrors the changing trend. It's one of the best markets in the country. You'll learn that immediately you begin your selling here. It can be done easily, economically in this medium—the ONE newspaper nearly every family in the market reads.

**Newark
Evening
News**

EUGENE W FARRELL
Business & Advertising Mgr
215-221 Market Street
Newark New Jersey
O'MARA & ORMSBEE
General Representatives
New York Chicago Detroit
San Francisco Los Angeles

July's Dominant Window Displays

Check marks () in city columns indicate the manufacturers whose window displays appeared in sufficient numbers to gain dominant attention in the city. The list is selective, representing the most active accounts.

Wanted: Salesmanship for the Railroads

(Continued from page 228)

Typical of the reception given their announcement by the public is an editorial which appeared immediately thereafter in the Havre (Mont.) Daily News. It editorialized: ". . . If price is a competitive factor which is emptying the trains of passengers, the Great Northern is going to make it an inducement to fill its coaches again. A lot of people have been saying that price is the reason for people going to bus and private car travel . . . certainly a general reduction in rate for every day in the year will be more of an accommodation than short-time round trips. Railroaders seem to be coming out of their despair and into a mood to fight for business with changes in service and rates. It is gratifying to see them in that mood. The sorrowful tone with which they have been pleading with the public to please come back and patronize them was not very effective. It was not good selling talk."

Market Research Needed

But price is only one factor which needs consideration in the better marketing program which passenger railroad transportation needs. Many roads still serve \$1.50 meals on diners which do not compare favorably with a 50-cent meal at a Horn & Hardart restaurant—an experience which seldom fails to give passengers the very definite impression that they are being "soaked." The tasteless, dry, stale sandwiches peddled in many trains are a joke almost the country over. And the lack of accommodation for women smokers, especially on short-run trains, is an example of the utter disregard of the desires of the feminine sex for a quiet smoke during traveling hours.

These and most of the other reasons why more people do not travel on trains would become plainly evident if the railroads would do more of what the manufacturing industries do: go straight to their customers and ascertain what they want, why they want it, and how much they're willing to pay for it.

What the railroads need to bring passenger traffic back is a few men like Ralph Hitz, Saunders Norvell and Charles Kettering. If marketing brains like these could be applied to passenger traffic problems, the railroads would soon begin to regain their rightful place in the business of the country and to pay a more reasonable return to their melancholy stockholders.

JUST PERFECT FOR YOU . . .

. . . that's the final consideration when you purchase men's clothes, be they for sport, formal or business wear.

Just perfect for you . . . that too is our objective. And we work with fabrics, design, draping, and hand craftsmanship, in the achievement of this ideal.

Today . . . at our new address . . . we have a particularly large and pleasing "just received" selection of British fabrics. Among them you'll find just what you desire.



May we "custom-tailor" for you the clothes demanded by the season at before the end of the depression prices?

BRYANT 9-7495

Shotland & Shotland

....Custom Tailors....

574 FIFTH AVENUE • 48TH STREET • NEW YORK CITY

Sales Manager Wanted

THE COMPANY: Long established, conservatively progressive.

THE BUSINESS: Food—a growing market.

THE TERRITORY: Mainly New York State.

THE ORGANIZATION: Sound, cooperative.

THE PERSONNEL: A large group of carefully selected salesmen.

THE MAN WANTED: Unquestionably high character, between 35 and 50, successful business record, preferably with few changes, a hard worker, ready to tackle a real job.

Correspondence confidential, of course.

Address:

SALES MANAGEMENT

Box 381

420 Lexington Avenue

New York, N. Y.

PHOTOSTATS

COMMERCE
PHOTO-PRINT CORP.

42 Broadway 33 West 42nd St. 80 Maiden Lane

Tel LONGsacre 8645

PHOTOGRAPHS

BARGAINS IN LUXURY



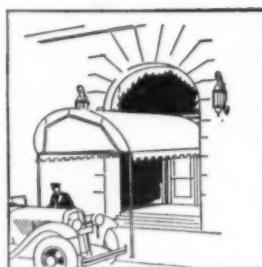
For as little as \$3.00 a day you can enjoy the luxury and Minute Man Service of this famous hotel. Located in the smart Grand Central Zone, one block from Park Avenue. Restaurant prices are amazingly economical, too—luncheon 65¢ and dinner with dancing, \$1.00, in the cool, carefully conditioned air of the Silver Grill.

HOTEL LEXINGTON

48TH AND LEXINGTON AVENUE • NEW YORK

Under Ralph Hitz Direction • Chas. E. Rochester, Manager

Other Hotels under Ralph Hitz Direction: Book-Cadillac, Detroit; Netherland-Plaza, Cincinnati; Ritz-Carlton, Atlantic City; Van Cleve, Dayton



In the neighborhood of the uptown business district, the smart shops, the theatres, and close to the Grand Central Station and rapid transit systems, the Hotel Barclay with its Colonial appointments makes a delightful home for business executives and their families on visits to New York. Rates are commensurate with the times. Single rooms \$5 up; Double rooms \$8 up; Suites, \$12 up.

**The
BARCLAY**
One Hundred Eleven East Forty-Eighth Street
Warren T. Montgomery — Managing Director
NEW YORK

Reporter Finds Tastes of Masses Unjaded at Chicago Fair

(Continued from page 222)

12. Exhibits of fraud and banditry.
13. Blood and gore and horrible diseases.
14. Sex.
15. Religion and pictures by famous old masters.

All of these impressions, it should be remembered, were gained quickly, just as the crowd gained them. It is possible that several important exhibits may have been omitted because of the limited time allotted to my tour or because of limited space here, but here are the notes from which I drew my conclusions. Perhaps you would like to make your own analysis.

Agricultural Building

Republic of Costa Rica: Even the dusky S. A. of lovely young Costa Rican waitresses failed to entice the folks within the fence to tables and counters where coffee was sold. Perhaps it was the heat.

National Biscuit Company: An expensive miniature plant played to an empty house, although the crowds hesitated a moment to pick up a free booklet.

International Harvester Company: Perhaps the crowd was rural; at any rate the large exhibit of farm machinery was well attended, a cotton picker being the principal attraction. Glassed-in displays, in miniature without movement, may have looked too much like home for they were unobstructed.

Morton's Salt: Rain falling on a simple, moving, cut-out figure of a girl with an umbrella (their trade-mark), drew the folks to an inside exhibit of a salt mine, where they promptly lost interest and left.

Standard Brands: A turning globe, the only map that was passed unnoticed, hidden in a mausoleum-like building.

Heinz: Typical kitchens, Colonial, Dutch, etc., drew the good housewives, while elaborate displays of products, with movement, failed to attract.

General Foods: Eight booths with about twenty seats before each offered a rest for weary feet. Sixteen different puppet and slide shows on a moving stage arrangement (52,500 moving parts), stopped many people at each booth for fifteen to twenty minutes. Open hands reached greedily for free recipe booklets, and the affluent bought dollar cook books.

Quaker Oats: The most popular exhibit of this building. Dimes jingled gaily as the crowd gobbled Scotch scones and filled up on Aunt Jemima pancakes. The manufacture of Quaker Oats by typical factory workers was ignored.

Kraft Mayonnaise: Production of the product meant nothing, but many pushed forward to sign the registry book.

Ball Brothers: Smart people, Ball Brothers! Housewives from all over the world built their display for them. This inexpensive array of fruit and vegetables, preserved by contest-winning housewives, attracted more attention than many exhibits costing ten or twenty times as much.

Coca-Cola: The racket of bottling operations, cool glass and lighting effects sold many bottles of Coca-Cola.

Junket: A small booth, unpretentious and unattractive, but the folks stopped for free samples.

Durkee: Apparently unsuccessful in trying to serve samples of oleomargarine (the only free thing that was unappreciated), but many folks stopped for samples of relish.

Kitcheneed: A knife which cuts vegetables into cute shapes. The demonstrator said they were giving it away during the "Century of Progress" and held mobs until the end of his talk. Purses opened readily to buy tools and get the "free" one.

Federal Building

Post Office Department: The morbid streak in the folks responded to the exhibits of mail fraud schemes and postal banditry.

U. S. Navy: Small mechanical boats moving over a map of the world gained the most attention.

Bureau of Mines: The first-aid exhibit, featuring life-sized mechanical figures which demonstrated artificial respiration, stopped them.

States Building

The following exhibits appealed to all the folks; other state exhibits seemed to draw only the folks from home:

Puerto Rico: The charm of foreign lands and novelty interest in Puerto Rican cigarettes.

Wisconsin: Much foliage and a strong scent of pine.

California: Most popular of this group. Waterfall at entrance and exhibits of tropical fish drew them in to buy orange juice.

Florida: Featured foliage and resorts.

Firestone Building

Crowded. They came in to see tires made, and, once there, seemed much more interested in watching a simple battery magnet lift a 250-pound ball.

Sinclair Exhibit

The dinosaurs amused, particularly the big fellow with his roar. An entertaining and instructive exhibit remembered by all, and it's much easier to say "Sinclair" than "dinosaur."

American Radiator Building

It cost a whale of a lot of money to transport and erect those air-conditioning systems and boilers, but the crowd passed by quickly to enjoy the garden and its foliage.

Hall of Religion

There was little more startling than Sunday School tracts, and the organ music was abominable, but you could hardly push your way through the folks from home.

(Reviews of the remainder of the commercial exhibits will appear in the next issue.—THE EDITORS.)



Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office, please use a separate letterhead for each booklet requested, to facilitate handling. The address is SALES MANAGEMENT Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

Surveys for which a charge is made are so indicated. Requests for these, accompanied by the purchase price, should be mailed direct to the publishers.

A New Radio Set-up in Chicago: On November 1, Columbia programs will be presented through WBBM, which until that time has shared program time with WGN. This means one dominant Columbia station in Chicago as is now the case in New York. Columbia has published a booklet about this new deal in Chicago—available for the asking and interesting to radio and other advertisers concerned with the second largest market in the U. S.

NBC Issues "Broadcast Merchandising" Publication: In the interests of effective selling by radio, the National Broadcasting Company has issued the first number of a new periodical called "Broadcast Merchandising." The initial issue features an article by Lee Bristol, vice-president of Bristol-Myers, Inc., entitled "I Believe in Broadcast Merchandising." Other articles include the Cellophane support for its radio campaign by nineteen itemized elements; a list of current sponsors' offers, tie-ins. Issued from time to time, and available on request to the sales promotion manager, NBC, 711 Fifth Avenue, New York.

If State Street Buys, Can Advertisers Rate Chicago Accordingly? By all means, says the Chicago Tribune, supporting its answer by a promotional booklet entitled "Leading the March Down State Street." This is no market analysis, but a frank delineation of the 1932 and 1933 lineage records of the leading State Street department stores, plus a graph for total department stores and another for the Loop stores. Department stores whose advertising records are shown include the Boston Store, Carson Pirie Scott & Company, Davis Company, The Fair, Mandel Brothers, Marshall Field & Company, Sears, Roebuck & Company, and Chas. A. Stevens & Company. National advertisers are urged by the Tribune to look and ponder. Direct from the promotion department of the Tribune, or through this office.

The Public Works Program and its Relation to the Building Industry is the title of an extremely interesting brochure published by, and available from, the Architectural Forum, 220 East 42nd Street, New York. Any subscribers who expect to sell products for use in local, state or government building projects, and who have not already received this study, should get a copy at once. It is NOT an official statement of governmental policies, but it is a thorough-going explanation of the major potentialities in this building program, with charts of federal departments,

public works administration, names and personalities of the ten regional directors, the state boards, and suggestions to manufacturers as to how to go about lining up business. Decentralization, rather than concentration on Washington, seems to be the rule, and the private architect will have a large hand in most cases. *Architectural Forum* naturally has some ideas on the way to cultivate these local architects—but that promotional angle is subordinated to the main question in this booklet of 18 pages. Write direct to Howard Myers, business manager, or to this office.

Kansas—a Source Book for Sales Planning in an Important Consumer Market: This is one of the most complete, boiled-down market studies to reach this office in many a moon. Published by the E. Katz Special Agency in the interests of thirteen Kansas cities and their newspapers, it assembles between its spiral-bound covers all the essential facts about the Kansas consumer market, with the following primary divisions: (1) relative importance of Kansas compared with other states; (2) economic background of Kansas, its industries and sources of income; (3) importance of cities under 30,000 population to the merchandising in Kansas; (4) facts about newspaper coverage of Kansas; (5) complete reference tables for all counties and all cities of over 1,000 population showing (a) indices of buying power, (b) retail sales, and (c) complete newspaper circulation analysis. A final list and explanation of authorities completes, and certifies, the material. As a unit of buying power, it is shown that Kansas is more important than its population indicates, thereby hitting strongly at the custom of making population the major market factor. This is a study which should be in every manufacturer's library, and likewise in every agency. Write direct to Eugene Katz, 500 Fifth Avenue, New York, or to this office.

All About Texas! The 1933 Texas Almanac and State Industrial Guide, published annually by the Dallas News (the oldest business institution in Texas, by the way), has recently made its appearance. For the benefit of those manufacturers doing business in that state, and desiring more complete information than is usually or easily available on the resources, industries, commerce, history, government or

population of the state, it is invaluable. There is a charge for the 385-page book—60 cents postpaid. Write direct to the publisher for your copy—The Dallas News, Dallas, Texas.

What to Do About the Older Employee in Industry? With the number and percentage of workers over forty-five steadily increasing in the past twenty years, industry faces a problem of personnel which is, of course, aggravated under present conditions of employment. The Policyholders Service Bureau of the Metropolitan Life Insurance Company, New York City, asked five thousand companies about their plans for dealing with this problem. Eight hundred firms, of those replying, reported programs now in operation. All instances were concerned with the factory worker, rather than the sales organization. Executives will find in the report, "The Older Employee in Industry," suggestions for attacking the problem, together with the actual plans of many organizations. A bibliography of magazine and other studies on the subject provides a valuable guide for further research.

Here's a "Big Board" Reference List: H. M. Thomas, president of the Thomas Publishing Company, 461 Eighth Avenue, New York, needed a quick reference list showing the capital rating for each organization listed on the New York Stock Exchange. Wide inquiry showed that no such list existed. So Mr. Thomas compiled a list, from Stock Exchange and other sources, and will send copies to executives interested. The rating in each case is based on March, 1931, valuation—which is not far off from present values in many cases. The list gives 845 organizations—a master list of United States industry, as it were.

To Help You Fly the Blue Eagle, a number of appropriate letter stuffers has been prepared by Maxwell Droke, dean of SALES MANAGEMENT's direct mail corps. Done in red and blue, well illustrated and with excellent copy, the titles give your sincere approval of the NRA program: "Buy Now, where this Blue Eagle looks you in the eye"; "We are for Roosevelt and Recovery"; "Take those padlocks off pocketbooks," illustrate the point. If interested, send for samples, to this office or direct to Maxwell Droke, Box 611, Indianapolis, Indiana.

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display.
Cash Basis Only. Remittance Must Accompany Order

EXECUTIVES WANTED

SALARIED POSITIONS \$2,500 TO \$25,000. This thoroughly organized advertising service of 23 years' recognized standing and reputation carries on preliminary negotiations for positions of the caliber indicated, through a procedure individualized to each client's personal requirements. Several weeks are required to negotiate and each individual must finance the moderate cost of his own campaign. Retaining fee protected by a refund provision as stipulated in our agreement. Identity is covered and, if employed, present position protected. If you have actually earned over \$2,500, send only name and address for details. R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo, N. Y.

SALES FOR SALE

SEASONED SALES EXECUTIVE WHO HAS been producing sizeable profits during depression years seeks an opportunity with an aggressive manufacturer. National experience in diversified consumer and industrial merchandising. A keen thinker who can recognize new uses and new possibilities in products he is merchandising. A capable sales director who can perform in the field as well as secure profitable results from others. Age 40, college graduate, Protestant, six footer with excellent personality. Ample proof of ability. Address Box 381, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.



GIBBONS KNOWS CANADA



C O M M E N T

HOME MORTGAGE RELIEF: Even the most ardent enthusiasts of the Roosevelt administration are finding it difficult to prove on a factual basis that much more has been accomplished since March 2, 1933, by way of improvement in the home mortgage situation than was accomplished under the previous Hoover administration. In 1932 and in 1933 to date there has been too much talk about mortgage relief. Important legislation has been passed, aimed at accomplishing worth-while results. So far, however, the performance record is not commendable and yet the entire business situation and the entire revenue problem of government are inseparably entwined with this matter of home mortgages. Money for mortgages is literally as scarce as the proverbial hen's teeth. . . . Those who doubt that reflation is coming, or who question the wisdom of such a course, will do well to think long and hard about the mortgage structure and all it represents to the welfare of the nation.

LABOR VERSUS PRICES: In chatting with manufacturers representing quite a wide variety of industry, SALES MANAGEMENT finds NRA has introduced a new cost factor likely to have a very important bearing on price levels. . . . Many workmen finding a minimum wage assured under NRA codes are slowing up the pace of their daily effort. Thus per capita production as measured on a man-power basis is receiving a substantial setback. . . . While depression continued, most workmen found it behooved them to put forth pretty close to their best possible efforts. They deemed this wise because they saw so many of their fellow workmen out of jobs and going more or less hungry and poor. They feared that discerning employers would be quick to eliminate the drones and to hire from the unemployed army those willing to work the hardest. They also realized that too much "laying down" might result in the establishing of piece work or its equivalent. . . . In many quarters the current psychology of labor seems to be entirely different. There is widespread belief that the Government already has or soon will assure employment for virtually all who want to work. With this phase of employment successfully handled, the minimum wage provisions of NRA, they feel, will then protect the drones and inefficient workers. Also many laborers probably see in a slackening of their effort a possible offset to future progress in the mechanization of industry. . . . Company executives in many fields must be concerned with this relatively new development. Computing new prices for

their wares on the basis of the mathematical percentages resulting from shorter working weeks and higher wage scales is not sufficient. Account must be taken of this new factor of cost, and it must further increase the price levels of certain manufactured goods. . . . SALES MANAGEMENT suspects this new cost factor will make itself felt for a long time to come and over a wide front. It should not be accepted with resignation, however, or else working efficiency will continue to go down and prices will continue to be pushed up. In the interest of economic salvation and of progress, the drone must be penalized.

THE DEPARTMENT STORE CODE: Percy S. Straus, president of R. H. Macy & Company, led the battle against price control in the Washington hearings on a revised code for the retail trade stores industry. Many concerns and many chain systems have followed a policy deliberately based upon selling a certain percentage of their merchandise at a loss, a certain percentage on about a break-even basis and a certain percentage at a good profit. As far as corporate results are concerned, they have been satisfied with average results as distinguished from insisting upon a reasonable profit for all types and kinds of merchandise they sell. The issue is a big one and an important one. Those who seek the right to sell at a loss center their arguments around the pros and cons of price fixing. They do not talk about the evils of profitless selling as such. . . . SALES MANAGEMENT was the first magazine in America to strike fearlessly into the evil of profitless selling, to publish articles and treatises on the ogre of profitless selling, and to predict the collapse of Wall Street prices in the Fall of 1929 on the basis of the staggering growth of profitless sales. . . . The revised fair trade practices section of the retail stores industry provides "on and after the effective date of this code no member of the retail trade shall sell or offer for sale any merchandise at less than the net invoice delivered cost or current market delivered cost, whichever is lower, plus 10 per cent to insure that labor costs shall be at least partially covered." This provision is qualified in succeeding paragraphs to permit, when merchandise is so represented, bona fide seasonal clearances and mark-down sale of goods which are damaged or are of a highly perishable character. Exception is also made in bona fide cases of discontinuance of the handling of a given line. . . . We hope this fair trade practice provision stays in the code and stays there forever. Macy's will still succeed.

Ray Bill